



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
30 July 2004

Original: English

Second regular session 2004

20 to 24 September 2004, New York

Item 4 of the provisional agenda

Evaluation

Annual report of the Administrator on evaluation 2003

Summary

The report on evaluation 2003, covering the period from July 2003 to June 2004, expands on earlier reports and examines the progress made by UNDP in contributing to global and national development results. It identifies a number of organizational lessons distilled from strategic assessments.

Key thematic and country evaluations point to some achievements in influencing policy and stimulating national debate on human development. UNDP has been effective as a broker between Government and external agencies, and in successfully piloting and feeding lessons and experiences from downstream work into upstream dialogue. But UNDP needs to do more to position itself strategically as a major global upstream policy advisor and in building upon niches that it often creates successfully.

The performance of evaluation itself can be determined by the extent to which evaluative evidence is relevant, accessible and timely in decision making. In this regard there has been some success, as noted in the evaluations of UNDP support to the poverty reduction strategy papers (PRSP) process and to Millennium Development Goals (MDG) reporting. In building awareness and capacity to support evaluative evidence-based decision-making, UNDP and its associated funds and programmes still have some way to go.



Contents

	<i>Paragraphs</i>	<i>Page</i>
Introduction	1-2	3
I. The evaluation function	3-26	3
A. Evaluation awareness and capacity development.....	10-18	4
B. Evaluation in the United Nations.....	19-21	6
C. Partnership in evaluation.....	22-26	7
II. Key evaluations	27-42	7
A. Corporate evaluations and reviews.....	28-31	8
B. Thematic and multi-country evaluations.....	32-33	8
C. Country evaluations.....	34-39	9
D. Sub-country evaluations.....	40-42	10
III. Development results	43-61	11
A. Achieving the MDGs and reducing poverty.....	44-48	11
B. Fostering democratic governance.....	49-53	12
C. Energy and environment for sustainable development.....	54-56	13
D. Crisis prevention and recovery.....	57-58	14
E. Responding to HIV/AIDS.....	59-61	15
IV. Organizational lessons	62-72	15
A. Positioning and responsiveness.....	63-66	15
B. Managing for results.....	67-69	16
C. Ownership and partnership.....	70-72	17
V. Future directions for evaluation	73-78	17
 Annex		
Evaluation statistics	79-88	19
A. Evaluations of UNDP and its associated funds and programmes.....	79-82	19
B. Evaluation compliance.....	83-88	20

Introduction

1. This annual report presents an overview of the performance of the evaluation function for the period July 2003 to June 2004. The 2003 report expands on previous years by detailing UNDP's contribution to development results that have been validated by independent assessment and key organizational lessons derived from strategic evaluation. The evaluative work of all UNDP associated funds and programmes has been integrated, presenting the combined value of evaluation to the institution.

2. The report is presented in five parts. Part I details how the evaluation function has provided high quality evidence as a basis for decision making and accountability, and built capacity in evaluation. Part II presents findings from key evaluations conducted during the year, from the corporate to the sub-country level. Part III describes the development results to which UNDP has contributed that have been verified by evaluation. Part IV highlights the key lessons drawn from strategic evaluation of relevance to the organization as a whole. Part V provides an outline of the evaluation agenda in 2004.

I. The evaluation function

3. Evaluation serves the dual function of providing a basis for improving the quality of policy and programming, and a means to verify achievements against intended results. To ensure that the practice of evaluation remains robust, continual improvements have been made to align the architecture to corporate goals, to review and update methodology, and to strengthen a culture and capacity of assessment in UNDP and with its partners.

Review of evaluation architecture

4. After two years of implementation, the architecture and its instrumentation are under review. At the apex, the third Development Effectiveness Report (DER) advanced the conceptual understanding of development effectiveness, identifying factors and conditions that have been adopted as drivers of the organizational strategies of the multi-year funding framework (MYFF) 2004-2007. The utility of these drivers – inter alia, capacity, ownership and policy – as a framework for assessment was tested successfully in the country evaluation for Nigeria in 2003 and is being further refined via the fourth DER, which is currently being prepared.

5. Strategic and thematic evaluations continue to serve as an effective instrument of corporate relevance. Its utility has been demonstrated through the evaluations of UNDP support to the PRSP process and to national MDG reports. These provided a timely platform for debate on the coordinated monitoring of progress towards the MDGs and PRSP performance, linking poverty monitoring more clearly with pro-poor policy reforms.

6. The country evaluation or Assessment of Development Results (ADR) has been applied actively since its introduction in 2002. An initial review found it to be a strong basis for determining whether or not UNDP is applying its comparative advantage optimally. The evaluation office is considering how to expand annual coverage of ADRs as an instrument of validating UNDP results at the country level.

7. One of the challenges of the ADR and the DER has been the evidence base upon which they rely. The methodology requires multiple sources, both internal and external to UNDP, as the basis for identifying and validating information. One source is evaluations conducted by country offices. A review of outcome evaluations in 2003 found a low level of activity, with only 20 per cent of those planned during the year actually conducted (see annex, part B). The lag reflects the challenge of 'evaluability' – how and when to evaluate outcomes and upstream actions – as compared to the more straightforward project evaluations of downstream projects in the past. This will be eased by the new MYFF, with the introduction of core results that are lower-level targets and thus more attributable and measurable.

8. The Evaluation Office of UNDP has worked closely with the operations support group in ensuring that evaluation remains responsive to the corporate planning framework of the MYFF, providing direct evidence of validation of the self-reported achievements of the organization. The sharing of evaluation and audit plans between the Evaluation Office and the Office of Audit and Performance Review has led to improved liaison on country assessment. In the case of Turkey, the ADR closely followed and built upon the audit process. The combined results provide a more balanced assessment of internal performance and contribution to development effectiveness.

9. The opportunity to improve alignment amongst UNDP associated funds and programmes evaluation policies and procedures has been enhanced. The conference room paper developed by the United Nations Development Fund for Women (UNIFEM) and UNDP for the January session of the UNDP/UNFPA Executive Board (DP/CRP.2) proposes ways in which planning and self-assessment systems may be harmonized using the MYFF and the associated results-orientated annual reporting mechanisms.

A. Evaluation awareness and capacity development

10. While the architecture introduced in 2001 was a first step, the managing for results and simplification processes have yet to fully inculcate a culture of assessment. This is not uniquely a UNDP problem, but rather a broader challenge of how to foster management that recognizes the value of evidence as a basis for decision-making, and a system that uses substantive evidence as a foundation for accountability at various levels. Awareness raising and capacity development are two ways in which the Evaluation Office has sought to address this concern.

Learning and exchange

11. The Evaluation Office has developed a partnership with the learning resources centre, the Operations Support Group and the Bureau of Management, to refine and conduct training for UNDP staff in results-based planning, monitoring and evaluation, and reporting. During 2003, over 220 UNDP staff from over 60 countries – including resident representatives, deputy resident representatives, programme officers and LEAD staff – have received a full day of such training. Operation and training in evaluation are conducted by Evaluation Office staff on ADR mission in country offices, thus reducing transaction costs.

12. A programme of staff exchange has been initiated by the evaluation office, bringing national officers to headquarters to work in evaluation for a limited period.

A pilot programme with the Sri Lanka office during 2003 proved extremely successful. The evaluation office has now consulted with all regional bureaux to develop a more extensive exchange programme to contribute further to capacity development.

Country and regional initiatives

13. The Evaluation Office has initiated a review of current assessment practices at the country level in order to strengthen the culture and practice of assessment. Some progress has been made. The ADR findings themselves have prompted evaluation capacity development. In Bulgaria, the evaluation highlighted gaps in the country office performance assessment system, prompting the office to redesign its performance frameworks. Several other country offices have initiated their own evaluation capacity development in 2003, including Guatemala, Moldova and Panama.

14. Collaboration between the Evaluation Office and the Regional Bureau for Europe and the Commonwealth of Independent States resulted in a regional initiative to build capacity with respect to impact assessment. Similar collaborative initiatives included a two-day strategy workshop in the Asia and Pacific region on improving evaluation for learning brought together UNDP staff from 15 country offices and two sub-regional resource facilities as part of the regional evaluation network community (EvalNet). In Africa, UNIFEM launched an initiative with the African Evaluation Association to build partner and internal capacity in common evaluation approaches based on principles of participation, human rights, gender equality and results-based management. Testing is now under way on a monitoring and evaluation framework integrating these facets, which, if successful, will form the basis for a UNIFEM-wide set of guidelines and standards. Regional initiatives are being organized by the Global Environment Facility (GEF) monitoring and evaluation unit, building regional units and programme management staff capacity in procedures, tools and methodologies for evaluation.

Evaluation services

15. The Evaluation Office has strengthened its service to country offices, regional centres and headquarters bureaux at various points in the evaluation cycle. Similar services are offered by the innovation and learning unit of UNIFEM staff and the valuation unit of the United Nations Volunteers programme (UNV). Pre-evaluation assistance includes advice and support on how to plan for evaluation, develop terms of reference and select consultants. To improve the quality of evaluation design, on-demand support is provided for objective setting, scope and approach, methodology, and implementation. Post-evaluation assistance includes reviewing draft reports for quality and consistency.

16. The Evaluation Resources Centre, launched in 2004, provides a vital on-line service that enables country offices, bureaux and units to enter and update their evaluation plans interactively. Its extensive library, which is updated by the participating focal point for each exercise, contains over 320 UNDP evaluations linked to a powerful search engine. A feedback loop is supported through the evaluation recommendations tracking component of the centre. This tool will continue to expand in keeping with the corporate knowledge management strategy.

Knowledge networks and publications

17. EvalNet provided an active conduit for expert referral, dialogue and sharing comparative experiences during 2003. Membership has grown to over 500 members,

70 per cent over of whom are in country offices. The website of the United Nations Evaluation Group, known as the United Nations evaluation forum, was designed and is hosted by the evaluation office. Since its 2003 launch it has provided an accessible platform for information sharing and dialogue. Membership has grown to over 250, and each of the United Nations evaluation group's working teams has utilized the service, with active discussions on the MDG reports and a debate on evaluation capacity development.

18. The Evaluation Office publication *Essentials* has been designed to help practitioners understand and compare diverse experiences around a given development topic. Recent topics have included 'Volunteerism and Development', 'Electoral Assistance', 'E-governance', and 'The Danish Trust Fund for Development'. In each case, the topic has been chosen with the guidance of the practice networks and is based on substantive evaluative evidence.

B. Evaluation in the United Nations

19. The evaluation architecture and capacity development work of UNDP are consistent with the reform of the United Nations system. The reform process has two main implications: (a) the need for coordination in assessing the MDGs, to which all United Nations organizations contribute; and (b) the standardization of evaluation practices at the operational level. The United Nations Evaluation Group, for which UNDP serves as chair and secretariat, advances the collaboration of United Nations evaluation bodies.

20. The United Nations Evaluation Group focussed on several core work areas in 2003. A study of norms and standards found that over three quarters of United Nations organizations have an explicit evaluation policy and over four fifths have guidelines, but capacity and practice vary. The challenge is to agree upon a common set of minimum standards drawn from these varying practices. While a study of MDG reporting found differing approaches across organizations, a common challenge is that of linking programme outcomes to the MDGs. The United Nations Evaluation Group provided continuing support to the preparation of the Triennial Comprehensive Policy Review by the United Nations Department of Economic and Social Affairs.

20 The United Nations development assistance framework (UNDAF) monitoring and evaluation plan was approved in 2002 and incorporated into the CCA/UNDAF guidelines. A review of experiences in 21 pilot countries highlighted the value of streamlining assessment practice to increase quality assurance, exchanging data and reducing the burden placed on national authorities by disparate evaluation practices. Defining common yet meaningful outcomes that pertain to the diverse work areas of the United Nations organizations remains a challenge on which work will continue during the next twelve months, with over 30 countries developing UNDAFs and associated monitoring and evaluation plans.

21. The annual meeting of United Nations evaluation group in April 2004 defined priorities for the coming year, namely, to work on norms and standards, evaluation capacity development and United Nations reform and harmonization.

C. Partnership in evaluation

22. UNDP represents the United Nations at the Development Assistance Committee Network on Evaluation, and has sought to broker greater involvement of individual United Nations organizations in the network's substantive work areas. In the context of the network, UNDP has agreed to act as a pilot to test a new approach to evaluating multilateral organizations. The approach will be based on an assessment of the UNDP evaluation architecture and performance assessment instruments. The pilot should have the additional benefit of assisting UNDP as it continually upgrades its instruments of evaluation.

23. Partnerships continue to be strengthened with the evaluation offices of bilateral agencies, notably the Governments of Denmark, Germany, the Netherlands and the United Kingdom. These relationships go beyond resource mobilization to areas of mutual methodological and thematic interest. This is exemplified by the ongoing joint evaluation of the linkages between democratic governance and poverty reduction with the Government of the Netherlands.

24. UNDP has invested in international, regional and national evaluation associations. The International Development Evaluation Association, launched in 2002, has over 200 members from 60 countries. The association has evolved a number of workstreams such as (a) consolidating empirical evidence on how to improve the usefulness and usability of evaluation, and (b) evaluation and accountability.

25. In 2003, UNIFEM and the African Evaluation Association established the Africa gender and development evaluators network to strengthen gender analysis in evaluation. Collaboration has also developed between UNDP and the Malaysian Evaluation Society (MES), with country office staff attending an international conference on evaluation and performance management organized by MES, and MES members leading EvalNet discussions.

26. At the national level, the Niger Monitoring and Evaluation Network, chaired by a UNDP staff member, has been one of the most active in the region, with over 200 members from public administration, universities, United Nations organizations, non-governmental organizations (NGOs) and private sector. In 2003 the Sri Lanka Evaluation Association, which was established with UNDP support, submitted a national policy for evaluation at the request of the Ministry of Policy Development and Implementation.

II. Key evaluations

27. Strategic assessments have remained central to the UNDP evaluation function. The DER, five global thematic studies and eight country ADRs were managed by the evaluation office and completed in 2003. These were complemented by over 20 corporate, thematic and country assessments conducted by UNDP-associated funds and programmes over the same period (see paragraph A of the annex for supporting data). Fifty sub-country level evaluations (of programme, plan, outcome and project) were also conducted, 28 of which were outcome evaluations (see paragraph B of the annex). The findings of these evaluations are reported below.

A. Corporate evaluations and reviews

28. The increasingly strong performance of UNDP projects over the past half-decade and the criticality of national ownership for sustainability and effectiveness were highlighted by the DER. The study raised the bar in terms of assessing effectiveness, challenging the organization to move its instruments for measurement upstream to mirror its interventions in policy advice, brokering and advocacy.

29. The second UNDP global cooperation framework (GCF-II) was designed to enhance UNDP support to developing countries needing to benefit from global knowledge with respect to critical dimensions of poverty reduction and human development. The evaluation office found that GCF-II had contributed significantly to the transformation of UNDP into a globally networked, knowledge-based organization through the establishment of communities of practice and knowledge networks and the decentralization of policy support to the sub-regional resource facilities. On the other hand, GCF-II had contributed only marginally to the integration of global advocacy and research within the country level practice of UNDP.

30. The independent impact assessment of the United Nations Capital Development Fund (UNCDF), conducted in compliance with Executive Board decision 99/22, found that while UNCDF has contributed substantially to development results through its local governance and microfinance programmes, the mismatch between its niche and international donor funding trends, aggravated by weaknesses in its own internal governance structures, has led to questions about the financial viability of the Fund after 2004.

31. In 2003, the work of the Special Unit for Technical Cooperation among Developing Countries was reviewed through a series of reports. No external assessments have been conducted, but internal reviews have indicated that South-South cooperation by UNDP has contributed to the increasing collaboration amongst developing countries, particularly in the expansion of regional and sub-regional opportunities for trade and investment flows.

B. Thematic and multi-country evaluations

32. Building on the first phase of an assessment of micro-macro linkages in South Asia, a second study, expanded to include initiatives of UNDP partner agencies, was completed in Bangladesh, India, Nepal, Pakistan and Sri Lanka. The findings reveal that macro-economic policies can have an adverse effect on even well designed community-level initiatives. There is a need to incorporate appropriate coping strategies during planning and to support advocacy for increased pro-poor orientation in certain macro policies. Understanding macro-micro scale relationships and effects was also investigated in the GEF evaluation of the inter-linkages between global environmental gains and local benefits in the GEF portfolio. Through a review of projects in 14 countries supported by an extensive desk review, the evaluation found positive impacts in a variety of local initiatives, including the development of sustainable energy services and community-based conservation.

33. The advocacy and brokering role of UNIFEM in influencing peace and security processes, and the coherence and effectiveness of the various strategies used in its HIV/AIDS programmes, were subjects of cross-regional thematic assessments during the year. With respect to peace and security, UNIFEM was found to be effective in bridging diverse groups to influence peace-building processes, and had made concrete achievements in mainstreaming gender into constitutional legislative and electoral reform. In connection with HIV/AIDS, the assessment found that UNIFEM had been effective in expanding knowledge and awareness of how gender inequality fuels the pandemic, and in bringing the voices of HIV-positive women to the attention of policy makers.

C. Country evaluations

34. Eight ADRs were completed during the reporting period, in Bangladesh, Bulgaria, Egypt, Ethiopia, Nigeria, Turkey, Ukraine and Viet Nam. An assessment of Haiti was put on hold due to political unrest.

35. In Ethiopia, the ADR sought to determine how UNDP has responded to the emergencies and development challenges in the country as a basis for helping the organization reposition itself. The evaluation found that UNDP holds a critical position in the overall architecture for coordination and liaison between Government and external partners, and has played a key role in PRSP formulation by facilitating regional and civil society consultations. The continuing vitality and visibility of the upstream coordination role of UNDP in the country will depend upon its ability to feed in lessons and experiences from its downstream operational work.

36. Macro and micro initiatives has been linked successfully in Turkey, where UNDP was instrumental in stimulating debate on human development issues through national report production and dissemination, and support for the creation of a human development centre in Istanbul. It has built on this advocacy role with downstream actions, orchestrating a shift in a major regional infrastructure project in the southeast and eastern parts of the country to become human-development focused. Effective advocacy was also noted in Ukraine, where UNDP played a key role in shaping policy debate and dialogue in human development through the production of high-quality human development reports; and in Egypt, where human development issues entered the national debate, kick-started by the national HDR of 1994 which had drawn attention to geographical and gender disparities in the country. Since then, the Egypt NHDR has served as a tool used by regional governors to become familiar with development concepts and problems.

37. In Turkey, UNDP was successful in integrating environmental concerns into the national policy debate by building national policy and management capacity within the Government and among civil society groups, ultimately resulting in Turkey's ratification of the United Nations Framework Convention on Climate Change. In Egypt, UNDP took the lead in strengthening the technical secretariat of the National Council for Women, resulting in gender mainstreaming throughout the country's the fifth national five-year plan. The evaluation found that overall the country office had been extremely proactive in its advocacy and relationship building, and was thus well positioned with regard to its future role.

38. Ukraine has been at the forefront of efforts to address HIV/AIDS, the reintegration of Crimea, the Chernobyl recovery and the disposal of landmines.

UNDP has been highly successful at resource mobilization in these areas, helping to more than double programme expenditures in 2002 and again in 2003. However, this has come at the cost of a diverse stream of initiatives, in some cases lacking internal cohesion and external coherence, and potentially crowding-out the key coordination and brokering roles that UNDP had found so effective in Ethiopia. This challenge was similarly highlighted in the cases of Turkey and Egypt, despite differences in resource levels.

39. Among the 10 evaluations and reviews of operational activities that UNV conducted during 2003, the country review of the work in Burkina Faso outlined achievements in building community capacity development, particularly in project planning and formulation, and in the involvement of marginalized sectors, notably women, in decision-making with respect to the areas where UNV was working.

D. Sub-country evaluations

40. Sub-country evaluations include programme, plan, outcome and project evaluations conducted within a single country and managed by respective the country office. Outcome evaluations were conducted across all geographical regions and in all sectors of UNDP operations during 2003 (see paragraph B of the annex for details). The majority of the 28 such evaluations conducted during the year focused on building democratic governance and poverty reduction. UNDP has been identified as making significant contributions, including in support of the development of regulatory and political frameworks, capacity development of state and non-state actors, and the completion of successful and relevant pilot initiatives. Rarely, however, was UNDP found to have contributed substantively across all the elements required to ensure the comprehensive achievement of the outcomes targeted. This reflects both the challenge of designing and implementing outcome-influencing initiatives, and that of evaluating such initiatives.

41. The seven project evaluations conducted by UNV during the year confirmed that much of the added value of the programme lies in the volunteers' ability to combine technical skills and professionalism with motivation, dedication and flexibility. In sensitive areas such as human rights, HIV/AIDS and conflict resolution, the programme has been particularly effective in building the confidence and trust of communities by bringing the neutrality and universality of the United Nations to volunteerism. Mixed teams of national and international volunteers were identified as a generally effective mechanism to enhance experience and knowledge sharing, as well as maximize the benefits of South-South cooperation. The contribution of UNV in stimulating local volunteer action and the ethos of volunteerism within communities was also recognized.

42. During the year, the UNDP Montreal Protocol Unit contracted a series of independent evaluations under the guidance of the evaluation office of the Multilateral Fund (MLF). The aim of these have been to assess the continued relevance of the fund support to various types of projects in different countries/regions, and to specifically to evaluate the overall performance of the fund in reducing ozone-depleting substances according to established targets. In the case of the solvent sector phase-out plan in China, the evaluation found that it has been implemented successfully to date, with reductions in the national consumption of chlorofluorocarbon 113, trichlorethane and chlortetracycline. The evaluation

recommended improvement in the chlortetracycline monitoring system, and technical support for solvent companies. Lessons from all MLF evaluations are presented to the Executive Committee, shared among all the United Nations organizations, and integrated into updated MLF policies, procedures, guidelines and criteria.

III. Development results

43. To complement self-assessment reporting, in this section the evidence gathered through independent evaluation is reconfigured around the corporate goals. While providing an important source of corroboration, the variable focus of numerous evaluations conducted in a single year does not constitute a validation of the full canvass of results. The themes under each sub-section are not service lines from the MYFF, but evidence-determined clusters.

A. Achieving the MDGs and reducing poverty

Pro-poor policy reform.

44. All the countries in which UNDP operates are working towards poverty reduction, but only 48 support pro-policy reform as a primary focus. UNDP supports 43 of the 76 countries engaged in PRSPs, but not all of these have demonstrated clear linkages between their growth strategies and poverty reduction, as was made clear in DER 3. The pro-poor policy content of the PRSPs increased when UNDP work focused on promoting national discussions of the nature and social costs of poverty in the course of its work on MDG monitoring. While UNDP was found to have contributed to building national ownership of the process, it could do more to promote national debate on development strategies and the causes of poverty. Where UNDP has been most successful and has contributed directly to policy and legislative change, it has been a consequence of the advocacy grounded in its own work, such as its coordination function, pilot initiatives, and the Human Development Report.

45. In Bulgaria, an increase in the relative priority of the social sectors in the Government budget, rising from 15-23 per cent over the period 1998-2001, could be partially attributed to UNDP advocacy on social issues and its pilot job creation efforts, as outlined in the Bulgaria ADR. Similarly, in Madhya Pradesh, India, advocacy using the state human development reports resulted in an increase in social sector allocations from 19 per cent to 42 per cent over the periods 1992-1997 and 1997-2002. In Viet Nam, the UNDP role as a facilitator in the development of the 10-year socio-economic development strategy (2001-2010) drew on its work in public sector reform and expanding the MDGs to address nationally specific issues. Human development reports were found to be important tools for effectively shaping policy debate and dialogue in East Timor, Egypt, Honduras, Nigeria, Turkey and Ukraine.

Institutional capacity development for human and income poverty assessment.

46. Institutional arrangements and capacity for poverty monitoring to ensure PRSP implementation were not always found to be adequate in target countries.

Notable exceptions include Nigeria, where good results have been achieved in training statistical officers at the state and local levels, and Turkey, with the creation of the Human Development Centre in Istanbul. Similar positive efforts to build the capacity in assessment practices were observed in Sri Lanka, where over 800 senior officials from the treasury participated in a training programme juxtaposed with regional training initiatives.

Local poverty initiatives and scaling up.

47. UNDP and its associated funds and programmes continue to work in micro-level development as a dual strategy based on comparative advantage in certain sectors and regions, and as a foundation where development alternatives can be tested as the basis for widespread transformation. In Turkey, for example, UNDP has been instrumental in turning a regional development initiative in the southeast from one that was principally focused on infrastructure development to one supporting broader human development in the region. Lessons from this initiative have been successfully applied to a companion project in Eastern Anatolia.

48. In microfinance, UNDP worked with the social development fund of the Government of Egypt, providing a model for future replication that is being mainstreamed into larger lending operations. The targeted microfinance work of UNDP and UNCDF in Haiti, Kenya, Malawi and Nigeria has been successful in increasing women's access to financial services, with services in general expanding an estimated 80-85 per cent. However, the evaluation pointed out that a number of opportunities had been missed for the broader replication. At the same time, it noted that local-level initiatives that had played at least partially catalytic roles in encouraging change at the macro level, whether in legislation or policies. The successes of the Local Initiative Facility for Urban Environment programme for slum regularization and renewal in Pakistan, for example, paved the way for the approval of a national shelter policy to regularize urban slum dwellings in Pakistan.

B. Fostering democratic governance

Review and reform of legislation and policies.

49. The highest concentration of UNDP activities during the 2000-03 period was in the area of governance, with support for the creation and strengthening of governance institutions and enabling environments for broad-based dialogue on reform emerging as prominent focal areas. In Honduras and Viet Nam, UNDP worked successfully to strengthen institutions including the courts and the prosecutor's office. In Viet Nam, support for the Democracy Trust – a platform for debate on development issues – led to two key agreements, on electoral and political reforms and in the pursuit of sustainable development as a national policy, between the political parties and the Government, with the participation of civil society and donors. These initiatives promoted citizenship and plural debate in a society that is still consolidating democracy.

50. In some cases where efforts were made to improve the quality and pace of reform, evaluations found that the work could have been better coordinated and developed with a greater degree of national ownership (in Mali and Panama, for example). In Laos, UNDP is supporting a process of harmonizing the constitution

and selected national laws vis-à-vis international instruments. While the value of that work was recognized, the lack of progress was attributed in part to these factors.

Decentralization and administrative reform

51. UNDP actively supported administrative and political decentralization through support to the drafting of new laws, local capacity building and fostering broad-based ownership. The organization was successful with pilot interventions such as the model municipalities under the Capacity 21 initiative, which worked in Bulgaria and Turkey (with a similar initiative in Honduras) to build municipalities' and citizens' capacity to plan and manage local development programmes. Similarly, the UNCDF work on fiscal decentralization and good financial management through local-level pilots in Cambodia, Mali, Mozambique and Uganda had a positive impact and influenced national policy direction on decentralization.

52. Specific capacity development efforts at the local level also succeeded, with UNDP strengthening the role and capacity of provincial people's councils in Viet Nam as representatives of local concerns and transparent managers of public funds, and through the capacity development work of UNIFEM on gender budgeting in Latin America and West Africa. Initiatives in the Andean region have been particularly successful in influencing local level budgetary analysis using participatory processes. Efforts to support upstream decentralization and reform planning met with mixed results, however, as in the case of Pakistan where the benefits of supporting the formulation of a legal and policy framework were not being felt due to the slow pace of implementation.

Improving electoral systems and processes.

53. Supporting electoral reform and local elections, establishing the instruments for observation and building the capacity to manage elections are all core work areas of UNDP in its drive to support democratic governance. Evaluations conducted in Bangladesh, Mali and Yemen have all provided evidence of support to electoral reforms and strengthening electoral capacity to deliver free and fair elections. In Bangladesh, UNDP effectively capitalized on its reputation as a trusted, neutral third party to play a leading role in the organization and monitoring of parliamentary elections in 1996, and local elections in 1997 and 1999, encouraging and coordinating the inputs of other donors. In Yemen, although irregularities were observed, they were not felt to have undermined the progress made in the ability of the commission for elections to conduct the election with UNDP support.

C. Energy and environment for sustainable development

Strategy and policy support and reform.

54. UNDP works on environmentally sustainable development issues in virtually all programme countries. In Turkey, environmental concerns have historically not been a factor in national policy debate nor figured prominently in public investment and regulatory reform. UNDP has contributed to the increased prominence environmental issues more prominence and building environmental policy and management capacity in government and among civil society, intensively engaging in the preparatory work for the Johannesburg World Summit on Sustainable Development in 2002 and administering of the GEF Small Grants Programme.

UNDP support was instrumental in achieving Turkey's ratification of the Climate Change Convention.

55. In China, the 2003 Tenth National People's Congress decided to reorganize the government mechanism for making energy policy by creating a new body within what was to become the State development and reform commission, with responsibility for energy strategy for sustainable development. The UNDP project 'supporting China's sustainable energy strategy' which emerged out of discussions between UNDP and the Government, together with strong relationships with government officials who could channel policy recommendations to the State Council, led to the reorganization of energy policy in line with project recommendations. China's 'solvent sector plan' is also being implemented successfully, responding to the challenge of phasing out solvent use among thousands of small enterprises. The plan is being implemented by UNDP with a funding volume of \$52 million from the Multilateral Fund of the Montreal Protocol.

Local sustainable development initiatives.

56. UNDP has developed and supported initiatives that provide assistance to rural and municipal energy efficiency planning and management; the integration of biodiversity conservation and sustainable use objectives into local and national sector plans and strategies; and the process of national capacity self-assessment for global environmental management. In India, the GEF has been supporting local schemes for hydroelectricity. These schemes have generated a more consistent, environmentally sound supply, although negative effects have been felt in some schemes where water rights have shifted from local people to external entities. Positive and negative lessons have been drawn from the evaluation as a basis for potential replication.

D. Crisis prevention and recovery

57. The interdependence of peace and development has provided an entry point for UNDP to support conflict prevention and peace building. Evaluations of the operational flexibility of UNDP in conflict and post-conflict situations, and of the UNIFEM peace and security programming, identified both challenges and successes. Based on an eight-country assessment, flexibility was seen to be relatively weak within UNDP, constrained by the lack of cross-country experience sharing. UNIFEM was found to be a highly effective convenor, bringing diverse constituencies of women together to develop a common agenda in the aftermath of conflict. The evaluation further highlighted the Fund's ability to bridge partnerships between diverse groups, particularly among emerging women's organizations, government and the United Nations, and outlined evidence of concrete achievements in mainstreaming gender into constitutional, legislative and electoral processes in almost all the countries studied.

58. Peace-building by attending to immediate reconstruction and recovery needs as well as by helping the national process have been central to UNDP work in East Timor, Niger and Tajikistan. In Niger and Tajikistan, evaluations on demobilization and reintegration of ex-combatants recommended the scaling up of the successful pilots. However, challenges of sensitizing the local population remained.

E. Responding to HIV/AIDS

59. Attaining the MDGs is contingent upon an appropriate response to the HIV/AIDS pandemic. Recently, recognizing the many different impacts of the disease on people's lives, UNDP developed a multifaceted response that offers a variety of services to developing countries. In Ukraine, UNDP has played an important role in helping to boost social awareness and to define and focus the Government programme to combat the disease. An inter-sector response to HIV/AIDS was launched and is widely supported, and there is a better understanding of HIV/AIDS in Government, civil society and the private sector.

60. In Honduras, a national forum was established with UNDP coordinating the different sectors working to reduce HIV/AIDS and develop a unified, effective response to the pandemic. The main achievement of the forum has been to create an environment allowing the representation of sectors not previously included in discussions. The forum has been less successful in coordinating the different sectors at the national level towards a unified response to HIV/AIDS due to its inability to call on a broad participation of stakeholders at the national level and to the fact that it is seen as a competitor of NGOs for resources.

61. An assessment of UNIFEM HIV/AIDS programming in 2003 affirmed its effectiveness in expanding knowledge and awareness of how gender inequality fuels the HIV/AIDS pandemic, and in bringing the voices and priorities of HIV-positive women to the attention of policy-makers in Government and civil society organizations. Its support has led to policy changes at state and local levels in Kenya and Nigeria as well as in the India Railways, a public sector employer with over 1.5 million employees. Its partnerships with the Joint and Co-sponsored United Nations Programme on HIV and AIDS and with UNFPA have been especially important to its effectiveness, including in post-conflict countries such as Sierra Leone.

IV. Organizational lessons

62. Evaluation serves both to validate progress towards development results and as a basis for improving organizational effectiveness. Common questions concern the relevance and viability of the organization, the extent of results-orientation, the quality of support systems, and the dual challenge of developing partnerships and enhancing national ownership.

A. Positioning and responsiveness

63. One of the primary challenges for UNDP is to remain relevant and useful in rapidly changing global and national contexts. To achieve this, UNDP must stay in step with the emergence of major development concerns, and in some cases be a 'first mover'. This was the case in Egypt, where UNDP advocacy on human development issues and its position as a leading partner of the Government put it ahead of the policy curve.

64. In Viet Nam, sustained advocacy for human development and early investment in the Viet Nam living standards survey, together with the World Bank, influenced the comprehensive poverty reduction and growth strategy. The comparative advantage of UNCDF in decentralisation and local governance was demonstrated through its preparedness to invest at the level of lower local governments and to make discretionary funds available for development.

65. Several outcome and country evaluations pointed to UNDP failures to seize an opportunity to build on existing work. In East Timor, having invested heavily in rehabilitation activities and building a comparative advantage, UNDP failed to support a relatively large portfolio of physical rehabilitation of public infrastructure and utilities, although it has retained the trust of the Government in supporting the rehabilitation process. In Ethiopia and Viet Nam, UNDP was weak in following through from successful coordination and partnering efforts in decentralization and poverty monitoring.

66. The most common and critical advantages appear to be in strengthening advocacy for human development issues by fostering national engagement, and drawing on innovative local operational solutions. The cases of India, Pakistan and Sri Lanka confirm that the role of micro initiatives should be seen in terms of providing a new outlook on existing macro development practices, and that well-executed approaches to social mobilization can be relatively novel to anti-poverty efforts and can thus influence macro-thinking.

B. Managing for results

67. Evaluations have revealed that a lack of clear focus has often prevented UNDP from establishing or retaining a strategic role. In Turkey, the two most recent country cooperation frameworks suffered from an excessive scope and fragmentation of effort. However, it was noted that during the past year the country office has successfully started narrowing the focus of its strategic agenda. In Bulgaria, where the UNDP country office has been remarkably successful, it was suggested that a stronger thematic focus within a coherent strategy was needed, with policy-level and institutional results that UNDP has contributed to emanating from a wide range of operations rather than from individual projects. In some cases, this fragmentation was caused by the imperative of mobilizing resources, leading to a loss of internal cohesion and external coherence, potentially crowding out coordination and brokering roles.

68. Evidence from several offices revealed that the UNDP corporate results-based management tools had not been sufficiently internalized and used to sharpen the focus and direct efforts towards achieving development outcomes.

69. A more consistent generation and use of evaluative evidence is necessary for well-informed review and decision making by UNDP, the Government and its partners in terms of whether or not particular programmes and initiatives should be continued, whether they had the potential to survive and be scaled up, and whether they showed promise for longer-term development impact. This challenge is also noted in GEF projects, although there is some evidence that newer projects represent an improvement over older ones, and that staff are increasingly aware of the deficiencies and the need to remedy them.

C. Ownership and partnership

70. The challenge of positioning is coupled with that of ensuring that UNDP does not enter or end up replacing government functions and that adequate capacity-building mechanisms are in place to allow an exit strategy. Evidence from a number of evaluations during the year suggests the line between UNDP and government operations has not always been clear, challenging the organization's ability to exit successfully. Among the funds and programmes, the UNIFEM assessment of peace and security programming pointed to a need for increased attention to sustainability of UNIFEM-supported initiatives and the importance of developing clear exit strategies from the inception of a project. The evaluation of GEF in Belize, too, showed that insufficient attention had been given to ensuring sustainability, by, for example, finding ways of making activities self-supporting.

71. In terms of expanding national ownership beyond Government to include civil society participation, evaluations have pointed up the need for UNDP to do more to promote broad-based ownership in the PRSP process and the MDG reports. At the project level, however, nearly 40 per cent of the evaluated projects in 2000-2002 period aimed to promote broad-based participation (e.g., supporting decentralization, more inclusive participation in development activities, ensuring accountability, etc.), and over 80 per cent of these were deemed satisfactorily or significantly effective.

72. Partnership for UNDP lies with the function of the resident coordinator and in its role in aid coordination amongst donors. A 2001 assessment of the CCA/UNDAF process notes that collaboration among United Nations organizations has improved, and had a favourable effect on the division of labour among the organizations and in identifying gaps and overlaps. However, United Nations coordination remains a challenge and the CCA and UNDAF instruments are seen as over-broad, unfocused and costly tools with limited impact on effective day-to-day cooperation among United Nations organizations.

V. Future directions for evaluation

73. As 2015 draws closer, demands for credible evidence of progress towards global and national development goals increase. This challenge is multifaceted, since evaluation seeks to provide a basis for the accountability of the provider to the client, the implementer to the donor, and also to improve development practice through governance structures that facilitate learning. UNDP and its associated funds and programmes bear a responsibility as organizations with a mandate to bridge governments, civil society groups, the private sector and bilateral and multilateral funding bodies. The overarching challenge is one of opening their evaluation processes up to incorporate the broader accountability and governance dimensions, while at the same time providing a firm foundation upon which UNDP can retain its positive independence and value.

74. A number of specific directions for evaluation are clear, based on the evidence of 2003. The process of refining the architecture in the light of managing for results will continue while remaining flexible and open to the common standards being

developed across United Nations. The work will include a review and update of the methodologies of ADR and outcome evaluation. As the MYFF is rolled out, the opportunity to reinforce results-based evaluation practices at the country level and with partners will be pursued. This challenge remains a hefty one, and the evidence cited in this report highlights the need for a consistent culture of assessment. Evaluation capacity development efforts will need to be more strategic, working through existing partnerships and associations, and building on existing good practice to illustrate what evaluation can achieve.

75. The coming year will include key ADRs in China, Haiti, Honduras, Jamaica, Mozambique, Nepal, Syria, and Yemen. Thematic evaluations will include an assessment of UNDP effectiveness in responding to HIV/AIDS in southern Africa; a study of poverty-governance linkages; gender mainstreaming; national human development reports; knowledge management; a set of five linked corporate evaluations, one for each of the five regional cooperation frameworks; and a joint evaluation of crisis prevention and recovery with the Bureau for Crisis Prevention and Recovery. Finally, the evaluation office will produce the fourth DER.

76. For UNCDF, 2004 is a critical year, marking the culmination of the organization-wide impact assessment exercise and the review of the UNCDF strategic results framework (SRF) for 2000-03. These two events presented the UNCDF evaluation unit with two specific challenges: the timely completion and presentation of the findings of the impact assessment to the Executive Board at the June 2004 session, and the preparation of the new SRF, or a MYFF for 2004-2007 by the second regular session in September 2004. Similarly, the main challenge for UNIFEM will be to align evaluation standards and practices with its recently approved MYFF 2004-2007. This entails, in particular, ensuring that a human rights-based approach informs all aspects of UNIFEM evaluation processes.

77. The UNV programme of evaluation for 2004 includes reviews of UNV involvement in peacekeeping operations; elections; two or possibly three country reviews; a global assessment of Greater Involvement of People Living with or Affected by HIV/AIDS projects; and a series of project evaluations. For GEF, in addition to the mandatory mid- and end-term evaluations of all projects worth over one million dollars, evaluations will be conducted in the three main focal areas – biodiversity, climate change and international waters.

78. Evaluation in UNDP and its associated funds and programmes will focus on enhancing the culture of assessment and the use of evaluative evidence for decision making in 2004-2005 so as to improve performance and make a greater contribution to development effectiveness.

Annex

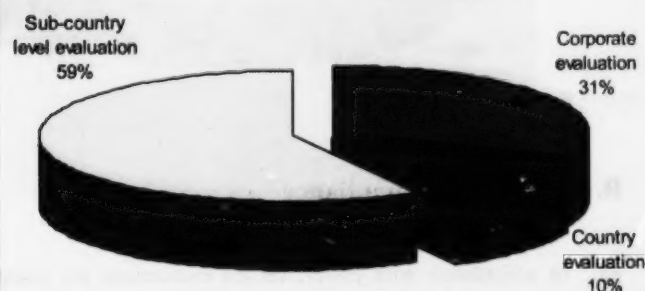
Evaluation statistics

A. Evaluations of UNDP and its associated funds and programmes

79. During the reporting period, 86 core evaluations were conducted by UNDP and its associated funds and programmes. The core evaluations were managed by central or regional evaluation bodies such as the UNDP evaluation office or the GEF monitoring and evaluation team, while strategic evaluations (such as outcome evaluation) were managed by country offices. Other programme- and project-specific evaluations are not presented in this report.

80. As figure 1 illustrates, the majority (59 per cent) of these evaluations were completed at the sub-country level, reflecting the demand for information as a basis for learning and decision-making within the programme cycle. This group incorporates programme, evaluations, UNDP outcome evaluations, and mid-term and final project evaluations conducted by UNV, the GEF, UNIFEM and the MLF. Evaluations at the country level are primarily a UNDP instrument.

Figure 1. UNDP and associates: evaluation by type 2003

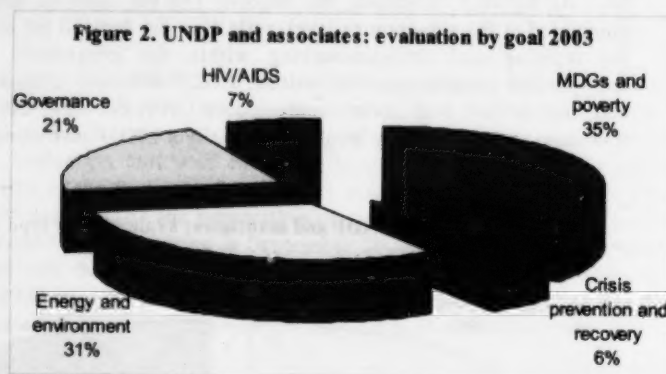


	Corporate/ thematic and multi-Country evaluation	Country evaluation	Sub-country level evaluation*
UNDP	6	8	28
UNCDF	3	0	0
UNIFEM	7	0	6
UNV	3	1	8
GEF	6	0	9
MLF	2	0	1
Total	27	9	50

* Sub-country evaluation includes programme, outcome, thematic and project evaluation within one country

81. The corporate evaluations include that of the second Global Cooperation Framework of UNDP, which sampled 20 country offices and sub-regional facilities, and the UNCDF assessment of its organizational impact, while thematic evaluations include the UNIFEM assessment of peace and security programming, the UNV evaluation of volunteers in governance, and the UNDP assessment of micro-macro linkages.

82. The majority of evaluations were conducted in the areas of achieving the MDGs and poverty reduction (33 per cent) and energy and the environment (34 per cent). This reflects the work of UNDP, the GEF and the MLF in supporting sustainable development, and the core work areas of human development advocacy and MDG monitoring. Just over one fifth of all evaluations conducted were in democratic governance, including the highest number of UNDP outcome evaluations (see figure 4, page 21).



B. Evaluation compliance

83. In accordance with policy, certain evaluations are mandatory. These include the evaluations of global and regional cooperation frameworks and a selected number of thematic and country evaluations. Outcome evaluations are mandatory for country offices, the number and focus of these being determined in accordance with overall country resources and strategy. The report of the Administrator on evaluation in 2002 (DP/2003/33) presented data projecting the number of outcome evaluations to be conducted by region and goal based on the country office's own evaluation plans. This annex outlines progress made during the year.

84. As illustrated in figure 3, and referred to in the initial section of this report, performance over the 2003 period was weak. Of the 139 outcome evaluations originally scheduled for the calendar year, only 20 per cent have been completed. The Regional Bureau for Asia and the Pacific performed the best, with 40 per cent of planned evaluations conducted, while the Regional Bureau for Africa lagged some way behind the other regions, with only 5 per cent completed. Of these, the majority were conducted in the core work areas of achieving the MDGs, reducing poverty, and fostering democratic governance (see figure 4, page 21).

Figure 3. Outcome evaluation by region 2003

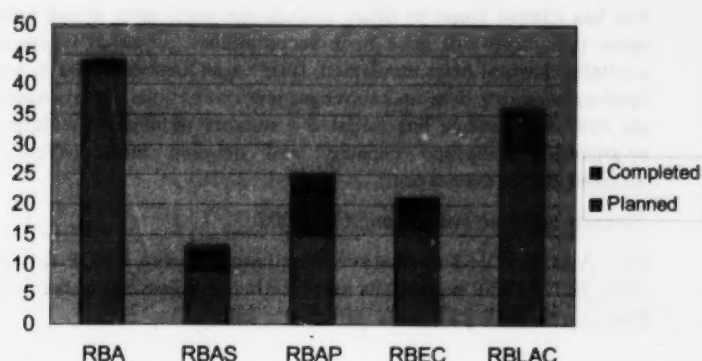
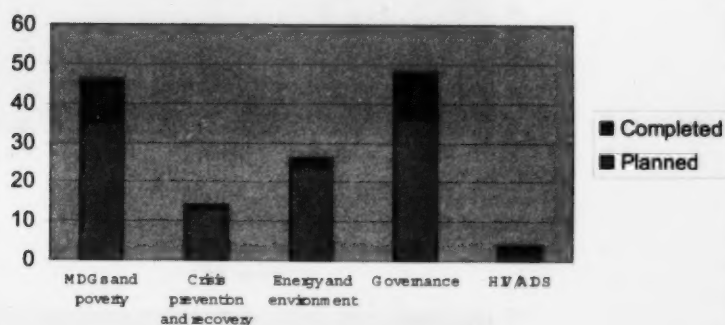


Figure 4. Outcome evaluation by goal 2003



85. Those percentages, while highlighting an issue of generating sufficient evaluative evidence, do not reflect non-compliance with evaluation policy. Compliance is measured over the entire country programme cycle, allowing country offices the flexibility of utilizing evaluation where and when it is best suited. Fifty-one outcome evaluations were originally planned for completion by country offices whose programme cycles ended in 2003, of which 22 were compulsory based on country resources. Of those, eight were completed, or 36 per cent of the compulsory 22 and 16 per cent of the planned 51. No single country programme completed its pre-determined number of evaluations. In almost every case, however, the country programme was initiated before the new architecture was put into place two years ago. Conducting evaluations against outcomes that have not been determined during the initial phases of a cyclical planning process was not seen as a viable exercise in most cases, and was therefore not undertaken.

86. The move upstream in programming has meant that the nature of deliverables has changed, so that, for example, policy advice often takes longer to accomplish

and is harder to attribute. Partial evidence from country offices has suggested that this has caused some to delay evaluations until later in the cycle when there is a sense that more will have been accomplished. In cases where a results-orientated mentality has not been inculcated, little value has been seen in conducting outcome-level assessments over and above project evaluations. To overcome these challenges, the evaluation office has initiated a number of complementary strategies to build awareness, strengthen capacity and develop more robust and user-friendly instruments for assessment.

Planned outcome evaluation 2004-2007

87. A total of 152 evaluations are planned across UNDP for the remainder of the 2004-2007 MYFF period, the majority being scheduled to take place in Asia and the Pacific, the Arab States and Africa (see figure 5).

**Figure 5. Outcome evaluation planned by region
2004-2007**

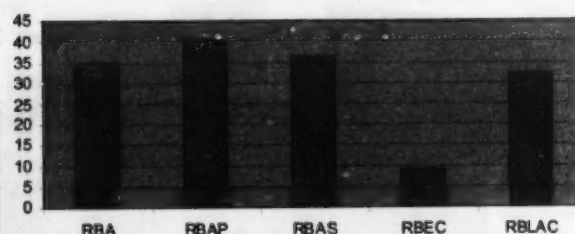
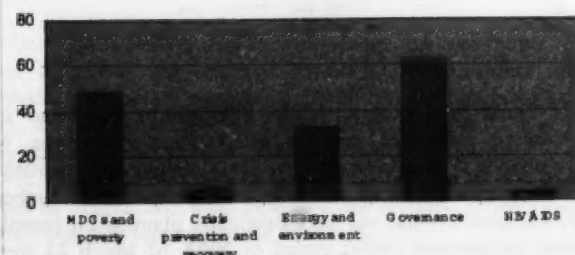


**Figure 6. Outcome evaluation planned by goal
2004-2007**



88. As figure 6 illustrates, over 70 per cent of all evaluations planned will take place in the areas of democratic governance or poverty reduction. This reflects the concentration of UNDP activities in these areas, and continues the trend of evaluations conducted during 2003.



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
19 August 2004

Original: English

Second regular session 2004
20 to 24 September 2004, New York
Item 4 of the provisional agenda
Evaluation

Evaluation of the second global cooperation framework*

Executive summary

Contents

<i>Chapter</i>	<i>Pages</i>
I. Introduction	2
A. Context	2
B. Objectives of the evaluation.	2
C. Approach and method	3
D. Special considerations.	4
II. Main findings	4
A. Policy analysis and advocacy.	4
B. Support to the transformation of UNDP into a knowledge-based organization	6
C. Practice areas and cross-cutting themes	6
D. Institutional arrangements and instruments	10
E. Management of GCF-II.	11
III. Lessons learned and emerging issues	11
IV. Recommendations.	13
V. Conclusion.	18

* The collection of data required to present the Executive Board with the most current information has delayed submission of the present document.



I. Introduction

A. Context

1. In its decision 2001/7 of 5 February 2001, the Executive Board of UNDP/UNFPA approved the second global cooperation framework (GCF-II) (DP/GCF/2). The purpose of GCF-II is to contribute to UNDP global efforts to reduce poverty and promote sustainable human development (SHD). The development objective of GCF-II is to provide windows for developing countries to influence global trends and benefit from global knowledge on critical dimensions of human development in order to reduce poverty and human inequity.

2. GCF-II was designed as "a critical tool in the transformation of UNDP into a globally networked policy-advice organization focused on global poverty reduction and sustainable human development", as indicated in document DP/GCF/2. Its main purpose is to move UNDP in the direction outlined in the Administrator's Business Plans, 2000-2003 (DP/2000/8). A concrete target was "the integration of UNDP global development thinking and advocacy with country-level practices". To accomplish this, three types of services were planned:

- (a) "Global advocacy and analysis to generate knowledge, build alliances, and promote enabling frameworks on key development issues;
- (b) "Policy advice, support and alignment across programs, drawing on the global network of policy specialists; and
- (c) "Knowledge-networking and the sharing of best practices, drawing on the subregional resource facility (SURF) system and communities of practice to support country and regional programming efforts."

3. The current phase of GCF-II ended in December 2003, but at its annual session 2003, the Executive Board approved a one-year extension of GCF-II (DP/GCF/2/EXTENSION 1) for the period January to December 2004. The Administrator indicated that the UNDP Evaluation Office would undertake a forward looking evaluation to assess the effectiveness of the overall approach of GCF-II and the outcomes achieved, with a view to providing strategic input into the preparation of the third GCF. The present report provides a summary of the findings of the independent evaluation carried out by a team of five international consultants from December 2003 to June 2004.

B. Objectives of the evaluation

4. In accordance with the terms of reference for the evaluation, the main objectives are to: (a) assess the overall performance and degree to which the intended organizational goals and development results have been achieved; (b) ascertain how GCF-II has contributed strategically to positioning UNDP as a major upstream policy advisor for poverty reduction and sustainable human development, and as a knowledge-based organization; and (c) develop recommendations for the design of the third phase of the GCF.

C. Approach and method

5. The scope of the evaluation is broad and complex, encompassing issues at both the global and country office levels. The main emphasis has been placed on the 'substantive' aspects of GCF-II, covering the complex set and interplay of policy analysis, advocacy and advisory services, and the practice and cross-cutting areas. Equally important were how and by which means GCF-II has been implemented and managed. This second area covers the management of GCF-II per se: oversight, monitoring and reporting, financial and human resources management.

6. GCF-II is managed centrally by the Bureau of Development Policy (BDP), and global resources form a major part of the overall BDP budget. While the link between GCF-II and BDP is integral, it is important to note that this present evaluation is not an assessment of BDP. It does, however, touch on several BDP organizational, institutional and management dimensions relevant to its implementation of GCF-II. The key elements of the methodology are given below.

7. **Desk/documentation reviews.** The evaluation was preceded by a preparatory phase, during which the Evaluation Office identified and assembled key reports and reference documents associated with GCF-II and mapped the GCF-II project and programme portfolio (see annex B of the main report).

8. **Interviews and consultations.** The data to support the analysis was provided through structured and unstructured interviews, focus group discussions, and consultations with some 350 officials from a wide variety of organizations. The team conducted initial interviews with UNDP key stakeholders in New York, followed by field visits. The main stakeholder communities interviewed included UNDP, selected United Nations organizations in New York and at the country level, selected programme and donor country governments (through their United Nations missions in New York and in some capitals), Executive Board members, and other entities, for example, non-governmental organizations (NGOs), the private sector, and civil society organizations, as determined through each country visit (see annex A of the main report).

9. **Surveys and data collection.** As the GCF-II 'stakeholder community' is large and widespread, a series of surveys was designed and executed to collect additional information and validate perceptions and viewpoints. The main surveys included:

- (a) *A self-assessment survey* of selected GCF project managers (all in BDP), as well as other selected practice/thematic focal points. This survey was executed at the start of the evaluation and approximately two thirds of those surveyed responded.
- (b) *Survey of policy specialists.* Given the large number of policy specialists (75), a special web-based survey was designed and executed after the first round of field visits.
- (c) *Survey of resident representatives.* Similar to the preceding, a survey was also carried out for the resident representatives to obtain their views on GCF issues and priorities.
- (d) *Sample of global projects.* From the portfolio of more than 150 global projects, BDP provided to the team a sample of 10 projects covering all of the practice areas (see annex C). A general review of these projects was carried out, through interviews with their project managers and different stakeholders and a review

of some of the associated documentation. In the course of its work, the team also had the chance to study other global projects.

- (e) *Review of the thematic trust funds (TTFs).* All TTFs were subject to a general review through interviews with their managers and desk reviews of available reports and documentation.

10. Visits to country offices and SURFs. During the inception phase, a sample of country offices and SURF sites was selected jointly by

BDP and the Evaluation Office with input from the regional bureaux (see table 1). In addition, two GCF-funded centres were visited: the Poverty Centre in Brasilia and the Oslo Governance Centre. During country visits, structured interviews and focus group discussions were used as the prime method of data gathering. Separate mission reports were prepared for each visit and these served as a main input to the preparation of the main report.

Field visits by region

Africa	Asia Pacific	Latin America	Europe and CIS	Arab States
Benin Botswana Lesotho Kenya South Africa Senegal	Thailand Lao People's Democratic Republic Nepal India	Barbados Brazil Panama Trinidad	Bratislava Lithuania Azerbaijan	Lebanon Jordan
Others: Brasilia Poverty Centre, Oslo Governance Centre				

D. Special considerations

11. While the methods and techniques used for data gathering and analysis generally conform to industry standards for evaluations, and results are considered as fairly representative of GCF-II performance, there are some caveats. The design and implementation of GCF-II presents a wide, complex universe from which a small number of components were selected for review. As with any highly complex initiative, not all GCF components could be individually assessed. This evaluation presents a snapshot of performance for key GCF-II components and others based on representative sampling. The team did, however, expend considerable effort in interviewing key stakeholders and policy specialists, especially those out-posted to the SURFs, to gain an understanding of how GCF-II has operated, particularly at subregional and country levels.

II. Main findings

A. Policy analysis and advocacy

Contribution to global policy analysis and advocacy

12. GCF-II was found to have supported global advocacy and research through the development of the *Human Development Report*, the carrying out of development studies such as those on global public goods and trade, and through the production of a number of publications, policy notes and reports in all practice and cross-cutting areas (see section 3A). The production of the *Human Development Report*

and reports on trade and global public goods, in particular, were seen as reaffirming the UNDP role as global leader in development thinking.

13. GCF-II is a main but not the sole contributor to the UNDP role in global advocacy, policy advisory services and knowledge networking. In the area of global advocacy, as compared to the national context, it is relatively easy for UNDP to set the terms of the global debate on a given issue. Under GCF-II, advocacy at the global level was pursued primarily by headquarters' units through the *Human Development Report*, development research and studies, and global conferences and workshops.

14. However, the findings suggest that UNDP has failed to internalize key advocacy instruments (i.e., the *Human Development Report* and publications on global public goods) and build on their added value in its own internal programming and operational dynamics. The question of impact and 'leadership' of other advocacy and research carried out by BDP through GCF-II remains open. In the opinion of the team and many stakeholders consulted, it would take considerable time and resources for UNDP to build up the sort of credibility in research that might match that of better resourced organizations.

15. In addition, the subject of policy advocacy was found to be more sensitive at the country level than at the global level, particularly in governance, human rights, corruption and gender, where there is political and/or social sensitivity – which is not surprising. Most respondents felt that UNDP should not confuse helping governments to identify and assess alternative strategies with the promotion (advocacy) of one particular line of action. Where UNDP endeavoured to advocate a particular position, such advocacy was seen by some to contradict or undermine the oft-cited UNDP strength of neutrality. UNDP is facing the challenge of balancing the roles of champion of normative United Nations standards and broker of policy options acceptable in a specific country context.

Contribution to policy advice

16. No other component of GCF-II generated as much discussion or debate as that of 'policy advice', the second service type designed to support the achievement of GCF-II objectives. To be sure, policy advice and related services are provided by UNDP through a wide range of means by all the bureaus and country offices, and the team viewed GCF as but one part of the multi-faceted UNDP role in the policy domain.

17. The evaluation findings suggest that when too much emphasis was given to the term 'upstream policy advice', expectations were found to grow as to what value UNDP could add to 'upstream' national development policy, and what UNDP could expect from itself and its staff. The GCF-II role in this area was seen more in terms of its contribution to the broader *policy domain* through a combination of dialogue, analysis, process facilitation, advocacy and other inputs and strategies. Overall, the value of UNDP GCF contributions was enhanced when driven by programme country needs, when grounded in operational experience, and when delivered by or through quality expertise.

18. The main instrument through which policy advisory services were provided was the separate global project Global Programme Policy Support Services (project

number GLO/01/001), by far the largest of all core-funded global projects. The project's main thrust was the recruitment and funding of 75 policy specialists – 50 based at the field level and 25 at headquarters. Based on the findings, the team concludes that the role of policy specialists as policy 'advisors' was not generally effective, nor was there too much demand from UNDP country offices or programme countries for such 'policy advice' services. Rather, the greater value of the policy specialists was generated through the delivery of a range of technical and specialized services and support to activities seen as inputs to policy development and policy implementation. Furthermore, the out-posting of policy specialists was a positive move in backstopping and enhancing country office capacities and in strengthening the community and/or practice of learning.

19. Through discussions with country offices and programme countries, the team learned that quality policy expertise could be delivered through a range of modalities – contracting out, outsourcing, partnerships and retainers – and the input cost dynamic varied significantly by region and country. The evaluation findings indicate that the delivery of such expertise through relatively high-cost fixed salaries of policy specialist staff may not be the most cost-effective modality in all cases.

B. Support to the transformation of UNDP into a knowledge-based organization

20. GCF-II has contributed to the transformation of UNDP into a globally networked, knowledge-based organization through the decentralization of policy support capacity, the building and maintenance of communities of practice, and the creation and nurturing of practice networks. It is in this area that most of the core global resources were allocated. The greatest impact of these services has been felt at the country office level, where internal capacities have been expanded and country offices have improved the quality and quantity of their programming.

21. Among the wide range of stakeholders consulted within and outside UNDP, the team found a high degree of receptivity and support for GCF-II objectives to strengthen UNDP as a knowledge-based, knowledge-networked organization. However, the team also noted a lack of common understanding, as the vast majority of interviewees found great difficulty with the term 'knowledge management' because it generated widely varying interpretations. Most felt that knowledge simply could not be 'managed' and that UNDP should not purport to do so. The team concluded that the emphasis should be on the sharing of knowledge and information and the task of enabling access to it.

C. Practice areas and cross-cutting themes

22. GCF-II was designed to contribute to poverty reduction and overall human development at the country level. While a number of activities and outputs from the various practice and cross-cutting areas point to promising outcomes, it is still too early to make informed judgments regarding the ultimate impact of GCF-II projects and programmes in the long term. It is not that GCF-II-funded initiatives are not working towards such objectives; it is a question of the level or degree of impact

that remains open. The following presents a small sampling of the many such contributions that have been made through GCF-II. Section 4 of the main report provides more complete presentation of findings on practice areas and cross-cutting themes.

Contribution to the policy debate on poverty reduction

23. There is strong evidence to indicate that the Millennium Development Goals (MDGs) are emerging as the UNDP niche market. In many regions, the MDGs and the preparation of national MDG reports has become one of the UNDP signature products. MDG monitoring and reporting were considered by many to be perhaps the single most important BDP contribution during the period under consideration. The Poverty Practice Group provided leadership, took charge of inter-agency coordination and established and managed the MDG-Net.¹ To date, over 70 country reports have been issued, together with five regional reports. During country visits, the team was able to confirm the high level of interest in UNDP support on the design and implementation of MDG programmes at the national and local level.

24. While advisory services provided by SURF specialists were often observed in technical backstopping or project formulation, the team also noted examples where the main areas of country office demand concerned macroeconomic policies in trade, employment or even budget formulation. However, the demand for SURF services in macroeconomics and poverty varied according to the characteristics of each country and the nature of participation of major donor agencies. In the area of poverty and social development, the picture was mixed, with a range of ad hoc activities undertaken in response to requests from country offices in the least developed countries (LDCs) and middle-income countries. GCF-supported initiatives have produced material in areas such as the social dimensions of poverty reduction, trade and export strategies for small countries (the Djibouti model), gender budgeting and mainstreaming gender in poverty reduction, although no reports were available on the overall reaction to and demand for such studies and services.

25. In all countries visited, the team found that UNDP had created a high level of trust because of what was seen as its impartiality and willingness to understand and represent the interests of government and civil society in the area of poverty reduction. Consequently it was able to play a brokerage role that made it possible to involve a wide range of actors in policy dialogue and programme implementation.

Contribution to sustainable development

26. Through support from GCF-II, UNDP was successful in developing partnerships in energy and environment, as agreed at the 1992 Earth Summit and reaffirmed at the 2002 World Summit on Sustainable Development a decade later. The global *environment* programme supported activities on integrating environment in national development frameworks, strengthening local environmental governance, and addressing global and regional environmental challenges. The East Africa cross-

¹ The MDG e-network had the highest rating in the 2003 Global Staff Survey, and was the only e-network to include external members from CSOs, governments, donors and United Nations organizations).

border biodiversity conservation project that ends in June 2004 is a good example of effective UNDP–Global Environment Facility (GEF) collaboration.

27. The global energy programme encompassed activities to enhance access to energy for sustainable development, provided access to rural energy services to reduce poverty, promoted sustainable energy technologies to lower greenhouse emissions and helped to mobilize access to new financing modalities.

28. The UNDP global staff survey rated the energy and environment practice as the second highest practice group in providing services. At the global level, the energy and environment practice area pushed the UNDP policy envelope to a considerable level through preparation of a number of knowledge products, such as the *Clean Development Mechanism User's Guide* that received peer review for publication.

Contribution to democratic governance

29. The global democratic governance programme supported the underlying principles of assistance to democratic governance and conflict resolution, participation in political and civic life, inclusion of the poor in matters of public policy development and accountability. Democratic governance covers many areas of UNDP traditional strengths, such as decentralization, political participation, social equity, giving voice to poor and vulnerable groups, and promoting equitable access to public goods and services. This practice area has also been on the cutting edge of emerging areas such as e-governance, promoting political and democratic processes in post-conflict societies, anti-corruption and equal access to justice. Many of these draw on main UNDP assets: the trust all major development actors have in UNDP thanks to its mandate and neutrality and what is seen as the organization's deep understanding of local and national culture and political processes. At a time of constrained financial resources, democratic governance is also a sector that many donors have continued to support. Consequently, it is likely to be one of the central pillars of the future GCF strategy.

30. The team found widespread recognition that UNDP enjoys a comparative advantage in many democratic governance areas. Indicative of the support enjoyed by this practice area, in 2001-2003 the democratic governance programme has been able to mobilize a significant level of TTF and project cost-sharing support amounting to \$33 million and \$3.7 million, respectively – more than the poverty, information and communication technology (ICT), energy and HIV/AIDS trust funds combined.

31. In addition, the democratic governance practice area has developed an extensive network of partner institutions at the international, regional and national levels. The urban management programme alone has developed partnerships with more than 20 institutions in all regions. The progress towards the United Nations-wide rollout of Huritalk as the network on human rights is considered a good example of where governance products are being promoted to a much broader audience.

Contribution to the global fight against HIV/AIDS

32. The HIV/AIDS practice facilitated implementation of a broad spectrum of support under UNDP corporate strategy, which in tandem with three service lines

appeared to have brought coherence to the HIV/AIDS practice area. These service lines have led to breakthrough initiatives that addressed stigma and discrimination, gender-related aspects of the epidemic, institutional inertia, multi-sectoral partnerships and community decisions. Another key feature was the capacity development process for each of the service lines.

33. The policy note prepared in August 2002 provided policy guidance on HIV/AIDS and poverty reduction strategies. Work has been done at the country level regarding this issue, most notably in Botswana, but also in Armenia, Burkina Faso, Burundi, Cameroon, Ethiopia and Madagascar, among others, including in national and regional human development reports. Work on HIV/AIDS and poverty reduction strategy papers (PRSPs) continues in many countries, and is a key concern for UNDP. Currently, the HIV/AIDS practice group focus is on generating an effective response, addressing underlying causes that fuel the epidemic, building multi-sector and multi-level partnerships with a focus on results, facilitating community decision-making and access, and involving people living with HIV/AIDS in the response.

Contribution to other cross-cutting areas

34. *Gender.* The team found that one area in which most progress had been made was mainstreaming gender in the MDGs. Many countries now produce national MDG reports and even more have committees working on particular MDGs or groups of MDGs. Engendering national budgets was found to have become an increasingly important area of support to incorporate gender into development financing and national budgets, and also as a potential entry point to the PRSP process. Investing in Women was another of the 10 global projects selected for assessment. This showed how, when working in partnership (in this case with the United Nations Development Fund for Women (UNIFEM) and the Women's Environment and Development Organization (WEDO)), a small financial contribution (\$50 000) could be leveraged to make an important contribution in a major international policy forum (the International Conference on Financing for Development).

35. *Information and communication technology for development (ICTD).* In ICTD, the team found that GCF-II had contributed across a number of its planned service lines; the largest area was in helping (through the country offices) to design and implement national and regional ICTD strategies (e-strategies). The inconsistent UNDP ICTD policy was an issue because there was a mismatch between its visibility as a practice and its absence in the structure of GCF and the strategic results framework (SRF). The closing of the practice and its integration as a service line into the poverty and governance practices in the context of the multi-year funding framework (MYFF) 2004-2007 caused some concerns, particularly in countries that had begun to focus on ICTD as a priority with UNDP support. Changes were sometimes perceived as a retreat rather than as an effort to refocus to enhance synergies. The team draws a clear lesson from the ICTD experience – which could probably be generalized to other areas: if UNDP moves into a new area, builds programming and relationships, it must either be prepared to make a long-term commitment or present a carefully planned, widely understood strategy of exit or change.

36. *Capacity development.* In the newly articulated cross-cutting area of capacity development, three books have been published, drawing conclusions and formulating advice and advocacy from a rich pool of experience.²

D. Institutional arrangements and instruments

37. The team found that, through GCF-II support mechanisms, UNDP programmes were more vertically integrated, linking country, regional and global programmes. This was achieved primarily through *communities of practice* and practice networks, the SURFs and role of policy specialists, and collaboration between BDP and regional bureaux. However, it did not appear that GCF-II had achieved any closer geographic integration by promoting South-South exchange and cooperation across regions. Finally, there was a closer thematic integration at the SURF level by linking relevant practices and themes, teamwork and mutual support initiatives, for example.

38. GCF-II initiatives sought out a wider range of *partnerships* and cooperative arrangements with national and international public, private sector, academic/research and civil society organizations. GCF-II initiatives have also been strengthened through more formal internal partnerships (e.g., inter-bureau memoranda of understanding on services) and with other United Nations organizations. This dimension of networking and sharing through formal and informal partnership arrangements was seen to both broaden UNDP global reach and open up the organization to outside influences and knowledge. While the *quantity* of partnerships has increased, their *quality* appeared uneven.

39. Reformed use of the TTF mechanism contributed to the mobilization of non-core resources and their concentration on UNDP programming priority (practice) areas. However, two TTFs received the bulk of funds, and the transaction costs associated with the proposal submission process and TTF management indicate a major need for streamlining and perhaps the consolidation of some TTFs.

40. The design of *global projects* was seen to be highly variable, sometimes with unclear objectives and measures of performance. Furthermore, decision-making was insufficiently transparent, with limited consultation and participation. Clearly, there are major opportunities for strengthening the corporate governance of global projects and broadening participation in design and decision-making.

41. The *execution* of GCF-II projects was seen as generally weak, with BDP appearing to have insufficient execution capacities, despite the fact that significant extra-budgetary income was generated through the collection of extra-budgetary resources earned through the project management. While they are compelling reasons for UNDP to continue to execute its own projects, there are equally compelling reasons to find alternative implementation modalities that make the most sense, such as through operational partnerships and implementing agencies.

42. In terms of *GCF-II programming*, the criteria are too broad and do not address the need of global initiatives to support the transformation of UNDP. Furthermore, there are no clear guidelines on the allocation of GCF-II resources or how priorities

² *Capacity for Development: New Solutions to Old Problems*, *Developing Capacity through Technical Cooperation: Country Experiences and Ownership*, *Leadership and Transformation: Can We Do Better for Capacity Development?* Publications accessible at <http://www.undp.org/capacity>.

are set. There is an opportunity to define UNDP programming principles as they might apply to the future GCF.

E. Management of GCF-II

43. The team found that the greatest weakness of GCF-II was in management, and not simply weaknesses in management processes. The issues imply the need for a major rethinking of the overall management strategy for GCF-II.

44. *Oversight* of GCF-II was found for the most part to be unsatisfactory. There should be a stronger, more regular corporate role in monitoring performance and providing direction on at least an annual basis, providing the opportunity formally to adapt design to changing circumstances. Furthermore, GCF-II accountability appeared diffuse and unclear, with no clear link between what expected results, decision-making authorities, requisite resources and monitoring and control systems. It would seem that accountability structures would need to be developed at different levels for the different components of the GCF: at the macro-level for overall GCF-II performance, and at the component level for individual projects and TTFs, for example.

45. The *reporting* of GCF-II performance was piece-meal and highly variable, with some components strong (e.g., TTFs, SURFs) and others weak (e.g., global projects). With combined weaknesses in financial information, monitoring was suboptimal. While the new Atlas system and other planned improvements in BDP may redress this system, there is a need to devise a monitoring and reporting system that can be rolled up from the component level to provide aggregate GCF performance information.

46. The *GCF resource allocation* model allows for limited flexibility for the pursuit of global issues at the country level by country offices. The bulk of resources are controlled by BDP, and the logic of global resources controlled by a single central bureau is not fully consistent with the design logic of the GCF – which seeks to provide windows for developing countries to influence global trends and benefit from global knowledge. There are opportunities to increase the GCF flexibility to allow country offices and other UNDP units greater and more direct access.

III. Lessons learned and emerging issues

47. *GCF design.* Based on the evidence, it would appear that GCF-II never truly articulated the space or the niche areas that it intended to fill or address. GCF-II became more of a *conglomerate of projects*, funding mechanisms and other instruments that did not gel into a cohesive framework nor fit a broader strategy. A global programme as envisaged in the GCF is neither a support service to the country office nor a series of global, regional and country-level projects. Global programmes should by their very nature address truly global issues that go beyond country specific or regional dimensions. When they focus on the UNDP mandate and practice areas, global programmes are likely to enhance organizational effectiveness, promote its normative values, support all programming through innovation and research and expand the body of knowledge.

48. The complexity in the design of the GCF through its overlay of multiple dimensions, practice and cross-cutting areas, service lines and use of numerous instruments tend to generate unrealistically high or mixed expectations. This can quickly become a formula for disappointment when objectives are not reached or performance cannot be measured. The mixing of programme development objectives and internal organizational objectives complicates allocation of resources, budgeting and performance management. Simplicity of design is best achieved by focusing on a few main corporate goals linked to the MYFF.

49. Finally, effective design is conveyed through the use of effective language. The use of hyperbole and inflated language do not add much to the development debate nor the UNDP role in it. As elsewhere, objectives and expected results of official development assistance tend to be overly ambitious. A modest, factual and therefore more realistic use of plain language in GCF design, programming and project documents would generate greater awareness, understanding and ultimately acceptance of the programme.

50. *Policy analysis and advice.* Lack of clarity in the definition of policy advice can lead to confusion of mission, mandate and role of UNDP and the GCF in the policy domain. When too much emphasis is given to the term 'policy advice', expectations grow as to what value UNDP can add to 'upstream' national development policy, and what UNDP can expect from itself and its staff. The contribution of global programmes to the policy domain generates greater, measurable results when they are seen as contributions to policy development through a combination of dialogue, analysis, process facilitation, advocacy and other strategies. The value of UNDP GCF contributions is enhanced when driven by programme country needs, grounded in operational experience and delivered through access to credible expertise.

51. The role of policy specialists as policy advisors has not been measurably effective, nor is there much demand from country offices or programme countries for such services. Rather, policy specialists' greater value is generated through their delivery of a range of technical, specialized services and support to activities seen as inputs to policy development and implementation. The out-posting of policy specialists is a positive move in backstopping and enhancing country office capacities and in strengthening the community of learning.

52. GCF resources might be more cost-effective through optional approaches to securing policy expertise: e.g., staffing of policy specialists, contracting out or outsourcing, operational partnerships and retainers, among other options. If policy specialists are used primarily for internal country office support, then global core funds may not be the appropriate funding source. However, where the role of such specialists can be clearly linked to global programming and priorities, the use of global core resources would be appropriate.

53. GCF global aims are best realized through strong links with regional cooperation frameworks (RCFs) and country cooperation frameworks (CCFs), but particularly in the RCF connection. Building on SURF experiences, the new regional centres can strengthen these links and ensure that GCF-funded policy specialist resources are optimally managed close to the source of demand. Inter-bureau cooperation in the guidance and supervision of regional centres enhances performance and cost-effective utilization of GCF resources.

54. *Knowledge networking/sharing.* The diverse quality and overwhelming quantity of 'knowledge' products and services of UNDP can saturate the organization, erode

its capacity to pursue quality work, and divert it from real development priorities. Continuous monitoring and evaluation of the portfolio of 'knowledge services' will provide assurance that value remains closely aligned to UNDP needs. *Sharing* knowledge and information rather than *managing* it is valued more by both UNDP and its development partners. Greater impacts are generated by a limited number of materials and channels for the exchange of information. More does not equal better. Practice networks and other channels for the sharing of knowledge that are user-friendly and attractive find greater usage even for overworked staff members. The amount of knowledge that is generated and shared is directly related to individual and institutional learning capacity; and if learning capacity is limited, then no amount of knowledge over and above what can be absorbed will be used.

55. *Programming and management.* Unlike with other UNDP programmes, programme countries have little if any direct say in the GCF. Other bureaux within UNDP often feel left out of decision-making processes. Direct, exclusive control of programme funds can generate the perception of discretionary funding for headquarters groups, and in some cases questionable use of resources. Such perceptions can take greater root in the absence of documentation, proper systems for reporting and financial accountability. A proper oversight system ensures that decisions made within one unit are in line with GCF and corporate strategy.

56. Accountability for the management of GCF resources cannot be delegated to BDP or any other organizational unit without adequate execution or implementation capacity, decision-making authority, and a proper system for reporting, monitoring and resource management. UNDP, as a main advocate for governance – transparency, openness, accountability – should be an example and provide exceptional assurances that its handling of GCF-II meets all standards of good management.

IV. Recommendations

57. Based on the findings of this evaluation, it is recommended that the next phase of UNDP GCF-III feature the main strategic components given below. Section 7 of the main report presents more technical recommendations dealing with performance, institutional arrangements and management.

Strategic direction

58. *Greater focus.* GCF-III should continue to provide a two-way window for programme countries – the ultimate beneficiaries – to influence and be influenced by global trends, and benefit from global knowledge in the pursuit of their national development priorities and the MDGs. The MDGs might be considered one of the organizing principles (linked to the MYFF) in GCF-III. Under GCF-III, UNDP should continue to narrow the focus on one or two practice areas plus a complementary but small set of secondary practice, thematic and cross-cutting areas. A more formalized, consultative method for programming, programme design and allocation of resources should reflect the variable demand for services by region, subregion and country. No less important, in order to link the intended

objectives to measurable results, the language of the GCF should be clear, concise and meaningful, not bound by rhetoric and platitudes.

59. *Refining the framework for global cooperation.* The term 'global' needs refinement and put into practical and operational contexts – not to be used simply as a broad rationalization for any type of programming and funding of initiatives. This means that the criteria for the use of global resources must be clear and applied consistently, and sufficiently distinct from regional or country-level programming. More attention should be given to 'cooperation' through use of operational partnerships and closer collaboration with other United Nations organizations. The 'framework' itself should be simplified by narrowing the aspirations, scope and anticipated achievements of GCF. Development and transformation-related objectives must be measurable, have baselines, be easily programmed and linked to the MYFF.

60. *Design and funding flexibility.* The design of the third phase of GCF should be sufficiently flexible to respond to major changes in external and internal environments. GCF design should be formally reviewed and amended, if needed, on an annual basis. Country offices in particular should have greater flexibility in directly accessing GCF core resources to operate the two-way global windows at the local level, and to pursue sensitive global priorities that would otherwise be difficult to pursue from existing funding sources. One option might be to structure and fund a global 'sub-programme' that could be accessed directly by resident representatives, similar to the budget line to support the resident coordinator system or target for resource assignment from the core (TRAC) line 3.1 in programming arrangements. Such an arrangement would allow country offices to pursue sensitive global issues at the country level. Decentralization of human and financial resources, including GCF resources (as in the case of the out-posted policy specialists), is the direction in which UNDP is moving.

61. *Change and transformation strategy.* The next GCF phase should continue to be applied to the transformation of UNDP into a knowledge-sharing, globally networked development agency. The programming of GCF resources should be based on clearly set aims and criteria. It is important to strengthen efforts to share experiences with the international community and carefully select issues for advocacy. More effort should be devoted to developing a culture of learning in UNDP. Change should be managed strategically – seen over the long term and be incremental, multi-dimensional (i.e., people, organizational structures, systems and processes), measurable, phased, linked to other change initiatives in UNDP and to United Nations simplification and harmonization processes. Special attention should be given to identifying and managing resistance to change and, equally important, to taking into account the real cost of change if the organization is to reap long-term benefits. UNDP is urged to pay greater attention to the human costs of organizational changes. Management is also urged to recognize and address the negative image of UNDP that constant reorganization creates among partners if it results in disruption or confusion of ongoing programmes.

62. *Policy advice and policy specialists.* In terms of UNDP transformation to an upstream policy advisory organization, it is recommended that the comprehension of policy advice be modified or adjusted to reality – and what many consider to be a main strength of UNDP – the provision of a range of both upstream and downstream technical assistance and professional services in the policy domain. If the notion of 'upstream policy advice' is to be continued, then it should be explicitly defined, in

practical terms. The multifaceted nature of UNDP policy work needs to be taken into account.

63. Clarification is needed of the role, purpose and funding of policy specialists. All policy specialists and advisors in UNDP – whether funded by core posts, regional or global programmes, or other means – should be *managed strategically*, and not in a piecemeal manner. This GCF component must not be perceived to be merely a strategy to build UNDP staff capacity but to better support programme countries. UNDP should continue to use programme funds for engaging policy specialists at headquarters and in the field. But options should be studied (including cost-benefit) in terms of in-sourcing, outsourcing and/or regionalization of policy specialist resources in order to arrive at a more rational, cost-effective mix, and to optimize both the quantity and quality of service. Consideration should be given to setting up a special fund or internal corporate account for the funding of policy specialists, rather than using a project mechanism such as the Global Programme Policy Support Services project, as is presently the case. This assessment cannot comment on the optimal mix, as more study would be needed.

Improving substantive performance

64. *Policy advice and support.* As the SURFs are integrated with the new regional centres, a 'service model' should be developed for policy-related services, which is linked to current strategies associated with knowledge management. The business model would answer questions on identification of clients, their needs and service expectations; the management of client relationships; measurement of performance; setting of quality standards; and alternative strategies (and associated costs and benefits) for service delivery. The products and services should be clearly identified. This would require supply-demand analyses for each region and not simply presume that the policy specialist or SURF is reactive or proactive, or demand driven or supply driven.

65. In the new regional centres, serious consideration should be given to deploying policy specialist resources (i.e., in the form of policy specialist UNDP staff and/or budget and contract facility) as close to their client countries as possible, in numbers and practice areas proportionate to demand at the regional and subregional levels. For example, there may be sound logic for: (a) the deployment of governance specialists and/or financial resources to both the Katmandu and Bangkok regional centres; (b) the deployment of ICT specialists and/or financial resources to the SURF in Beirut; (c) the relocation of specialists and/or financial resources in Latin America from Panama to other countries; and (d) the continued deployment of environmental specialists and/or financial resources in Nairobi rather than relocation to the Pretoria regional centre.

66. *SURFs and regional centres.* As the SURFs will disappear and their function becomes part of UNDP regional centres, it may be worthwhile to collect and document their achievements and experiences. A review study could also assess which lessons should be drawn for the ongoing change management. Related recommendations on policy services are covered in section 7.2.1-B of the main report. Every effort should be made to minimize the loss in terms of subregional services and to balance carefully services made available to the two main groups of clients – country offices and governments – who have their own close, privileged

relationships. While the establishment of regional centres is going through an experiment phase, UNDP is well advised to aim for a somewhat uniform organizational structure and corporate terminology. Regions, such as the Arab States, establishing regional centres at a later date, should actively seek lessons from the establishment of centres in Asia and Africa.

67. *Knowledge-sharing, knowledge management and networking.* Insofar as GCF is to be used as an organizational transformation tool, emphasis should be given to *strengthening the learning culture* of UNDP. Continued emphasis should be on identifying and documenting good, innovative practices that have been used on one location, and to promote their adaptation in other countries or settings. More attention should be given to *country offices as the best sources* of and application of knowledge and experience, lessons and good practice. UNDP should strengthen its capacities to capture, document and disseminate this information. Knowledge management should not be directed only towards benefiting UNDP staff, but should be clearly linked to the capacity development of host developing countries. (It was noted by BDP that the MDG-Net is inclusive and has members from programme countries – governmental and non-governmental.) The knowledge networks should be made accessible to staff in all United Nations organizations as well as national counterparts in partner countries. There should be a deliberate policy within UNDP to encourage external knowledge-sharing.

Practice and cross-cutting areas

68. *Poverty.* While there is a high level of demand for technical assistance and related support services in the poverty area, there are many actors offering financing and technical support to governments and civil society. GCF success will depend in large part on its ability to find niches where it has a comparative advantage and where it can effectively leverage its financial and professional resources. A number of advocacy civil society organizations would like to see UNDP help to open up political space for NGOs to have more active participation in national dialogue on poverty reduction, MDGs and related topics. Future GCF strategies should build on MDG momentum and seek ways to translate the high level of interest into a cost-effective development instrument.

69. *Energy and environment.* A main challenge is how the practice architecture, including matrix management principles, can be mainstreamed throughout UNDP, so that the importance of policy support functions at all levels of the organization will be recognized and inculcated under a GCF-III. The synergies achieved can be consolidated in the MYFF and new regional centre structure by: (a) expanding the resource base through a combined TTF for the practice area; (b) achieving better knowledge extraction, especially through a review of the GEF portfolio for lessons learned from use of GCF core resources for data capture/analysis; (c) establishing a separate fund for sustainable partnerships; and (d) clarifying line authority of BDP regarding core funding of staff and their reporting/accountability with the regional bureaux.

70. *Democratic governance.* There are many emerging governance issues in the ICT for development field where democratic governance has begun to establish its reputation (e-governance) and where it could make an important contribution. ICT, and particularly e-governance, is a major area of opportunity for democratic

governance and it is critical to develop a coherent strategy as quickly as possible in this area.

71. *HIV/AIDS.* UNDP corporate strategy and service lines are founded on the organization's strengths and provide a solid foundation for actions to address the current challenges of the epidemic. This strategy must be expanded globally and scaled up within countries; special responses should be implemented for southern Africa and other worst affected countries and regions with high prevalence rates. Development of southern expertise and institutions should be strengthened to support national efforts to implement 'leadership for results' initiatives. South-South cooperation should be encouraged and the capacity development component of the trade-related aspects of international property rights (TRIPS) – including civil society analysis and advocacy, regarding best practice trade policy and patent law for accessing low cost antiretroviral treatment – should be expanded. A new approach should be devised to measure the transformative methodologies being used to generate innovations, results, outcomes and impact, including shifts in norms, practices, behaviours and institutional change.

72. *Gender.* Despite the progress in mainstreaming of gender in MDGs and increasing references to the importance of gender equality in policy documents, evidence suggests that progress towards gender mainstreaming has been disappointing in all practice areas, even in the area of poverty. UNDP and GCF are uniquely placed to make a significant contribution to gender equality through mainstreaming strategies but this will require a much more significant commitment of resources. At this point only three of the eight SURFs have a gender policy adviser.³ BDP does not have a specific allocation for gender programmes in its core budget and the Gender TTF was the only practice or cross-cutting area TTF that was never launched because it failed to attract donor funding. The only source of funding for gender programmes in UNDP is the Japan Women in Development Fund (JWIDF). Democratic governance can also make an important contribution to gender mainstreaming. There are some important opportunities in areas such as political participation and access to justice where democratic governance could be on the cutting-edge of gender mainstreaming.

73. *ICT for development.* Having recently closed the ICTD practice area and turned it into a service line of two practices, new organizational models could be considered for taking advantage of this growth area. ICTD offers some challenging opportunities for partnerships with the private sector, universities, NGOs and other organizations active in the field. There are potentially important windows of opportunity for UNDP which include, but are not limited to: (a) building on the extensive UNDP capacity-building experience to develop distance-learning facilities; (b) working in the governance field (for example, the Interlegis model in Brazil); (c) employment generation, women's empowerment, health education and formal education; (d) e-commerce; and (e) combating HIV/AIDS.

Strengthening management

74. *Managing GCF-II* is a daunting task. (Annex H of the main report provides a series of detailed technical recommendations). Through audit, performance reviews

³ Pretoria, Dakar and Kathmandu. A gender adviser is physically located in Port-of-Spain but she reports directly to BDP and provides very limited support to the Caribbean region.

or some other mechanism, the *full costs* of providing policy support and related services at the regional level should be determined. This would include all implementation and execution costs recovered by UNDP and country offices in implementing GCF-funded initiatives, and in other costs (such as those charged by country offices for providing space, travel and other services to SURFs/regional centres). Further, systems should be implemented that can capture full costs (*cost accounting*), which could then support analysis and reporting on the *cost-benefit* of such services as well as to support financial planning and forecasting.

75. Along with the organizational changes currently being explored by BDP, a comprehensive *capacity assessment* of the Bureau should be carried out. This may result in the production of a strategic/capacity development plan for the organization, clearly demonstrating all the capacities (including personnel and financial resources) that would be required for the cost-effective management of GCF.

76. Greater attention should be given to strengthening UNDP as a *learning organization* – that is, to invest resources in learning, professional development and allow sufficient time for country office staff to familiarize themselves with ongoing policy debates, research, studies and analysis. A part of this would be to develop a corporate commitment, incentives and means to strengthen the bridge building between its study initiatives and innovation of mainstream, corporate policy.

77. *Oversight and management.* GCF is large and involves a considerable amount of core, cost-shared and thematic trust funds. In view of the several management issues raised, GCF-III should not be approved without solid assurances that UNDP is installing the proper execution, implementation and performance management capacities (especially in the areas of oversight, accountability, monitoring, reporting and related areas noted in the detailed recommendations in section 7 and annex H of the main report). UNDP should double its efforts on sound corporate governance (transparency, openness, accountability) and provide exceptional assurances that the handling of GCF meets all standards of prudent management. The cost effectiveness of future GCF phases can be greatly enhanced through strengthened capacities for execution, implementation and performance management. Selected evaluations of existing global projects, programmes and TTFs should be carried out, and the various global initiatives should be audited. All future global initiatives should be evaluated, if only to extract lessons and knowledge that can be shared globally.

78. Given GCF complexities, sufficient time will be needed to design a third phase properly. Time should be invested to analyze the noted historic challenges and opportunities and ensure that they are properly factored into a GCF-III design. Time will be needed for meaningful consultation and full participation of key internal UNDP units, external partners and other interested parties. The team was informed that preparations were underway. The UNDP *Programming Manual* suggests 18 months for this process.

V. Conclusion

79. It is important to remember that GCF-II was implemented in a period of major organizational change not only in BDP, but also in other parts of UNDP; in a way, it became a vehicle for a number of UNDP transformation goals. The strengths and shortcomings of GCF-II should be viewed in this context. The evaluation findings

present challenges and opportunities for UNDP and its many partners as it approaches the design of GCF-III. New actors have and will continue to find their way onto the stage of international development cooperation: e.g., European Union accession countries as emerging donors; global players such as Brazil, China, India and South Africa introducing new departures in South-South cooperation; large multinational corporations; global compact partnerships and the local private sector; and an expanding, increasingly active base of national and international civil society organizations.

80. In line with the organization's corporate objectives, in the past four years GCF-II has contributed to UNDP development and transformation goals, notably in turning UNDP into a learning, knowledge-sharing organization. However, lingering questions on the meaning and quality of upstream policy advice and the noted weaknesses in governance and management may combine to generate a perception that GCF serves as an exclusive facility for internal purposes only. If the next GCF phase is to serve UNDP corporate goals further, changes will be needed in the design, programming and management of the GCF facility. More fundamentally, GCF must define more sharply its niche for addressing truly global development issues of strategic importance to UNDP, and provide a clear strategy for enhancing the quality and effectiveness of UNDP work at the country level through global programmes.



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
26 August 2004

Original: English

Second regular session 2004

20 to 24 September 2004, New York

Item 4 of the provisional agenda

Evaluation

**Management response to the evaluation of the second global
cooperation framework***

Summary

This management response addresses the independent evaluation of second global cooperation framework (GCF-II) of UNDP. The evaluation covers the period 2001-2003, although GCF-II has been extended to the end of 2004.

Contents

Chapter	Page
I. General findings	2
II. Specific findings	3
A. Global advocacy and analysis	3
B. Knowledge networking and sharing	4
C. Policy advice, support and alignment	5
D. Management arrangements	7
III. Concluding remarks: looking forward	8

* The collection of data required to present the Executive Board with the most current information has delayed submission of the present document.



I. General findings

1. The evaluation team concluded that GCF-II contributed positively to the transformation of UNDP into a more effective globally networked, knowledge-based organization. This was achieved by decentralizing policy support capacity to the sub-regional and country levels, and by using the knowledge networks to build communities of practice. The evaluation found positive results in several substantive and cross-cutting areas, including country monitoring of the Millennium Development Goals (MDGs); strengthening local environmental governance; providing access to rural energy services; a range of democratic governance initiatives; and multi-sector leadership responses generated to address the HIV/AIDS pandemic. There were also achievements in the cross-cutting areas of gender and information and communications technology for development. The evaluation team found that significant partnerships have been forged in almost all these areas.

2. Due to practical constraints, the evaluation team could examine only 10 out of 150 GCF-II projects and was unable to meet with more partners and stakeholders. As a result, some key areas of success were not highlighted in the evaluation. One of these was the leveraging of significant additional financial resources. The ratio of GCF-II resources to external funds mobilized was 1:8 for the Energy and Environment Group. Another was the introduction of methodologies and practices that helped generate new frameworks for national responses. In Cambodia, Ethiopia, Haiti and Ukraine, for example, the methodologies introduced to address HIV/AIDS influenced national policy documents, mobilized a broad cross-section of society and empowered communities to take action.

3. The evaluation also raised some general concerns relating to the overall GCF-II structure, which appears to lack a cohesive framework, functioning as a conglomerate of projects, funding mechanisms and other instruments. In addition, the demands of programme development, interspersed with internal organizational objectives, have added to management complexities and challenges.

4. These observations are germane. However, the impact of the far-reaching organizational changes within UNDP on the implementation of GCF-II may not have received sufficient cognizance in the evaluation. Such changes have affected the Bureau for Development Policy (BDP) more than any other part of the organization. Given the emphasis placed in the new Business Plan on strengthening policy advisory capacities, a large number of staff functions in BDP changed as the organization was restructured. Between the first and last years of GCF-II implementation, only a small minority of the more than 200 professional staff in BDP retained their professional functions. More than 100 were replaced as a result of post redefinition.

5. Also during that period, the Subregional Resource Facility (SURF) network was built up and strengthened, along with three global thematic centres (in Oslo, Nairobi and Brasilia). During 2004, some of the SURFs are to be merged into larger Regional Service Centres. These important changes are all designed to enhance the objectives of the UNDP Business Plan, but they have inevitably resulted in a loss of continuity in BDP.

6. There was also a gradual process of refocusing. Early in the GCF-II period, UNDP work began to be organized according to six different practice areas, five of

them the direct responsibility of BDP. These practice areas did not precisely correspond to the six objectives of the SURF, which had constituted the programming and reporting framework for the GCF until 2003.

II. Specific findings

7. The evaluation raised several more specific areas of concern:

- (a) Global advocacy and analysis;
- (b) Knowledge networking and sharing;
- (c) Policy advice, support and alignment; and
- (d) Management arrangements.

The following sections address each of those areas in turn, provide the UNDP response to the evaluation findings and recommendations and describe the follow-up actions that UNDP intends to undertake or is already undertaking. A summary of the UNDP response to the recommendations is attached as an annex.

A. Global advocacy and analysis

8. While the evaluation notes that the publication of the Human Development Report (HDR) and other reports have reaffirmed the role of UNDP as a global leader in development thinking, it also highlights the challenge of ensuring that policy work is appropriately integrated into UNDP operations and programming.

9. UNDP agrees that there is a need to review the operational implications of policy work. Where HDRs have covered UNDP thematic areas – such as democratic governance or the MDGs – BDP policy advisers have been actively involved in advising on their content. More could be done to integrate the lessons of the reports' global policy advocacy into UNDP regional and country-level policy support objectives, which the newly conceived 'Human Development Viewpoints' are intended to meet.

10. The 2003 report *Making Global Trade Work for People*, is a good example of a report that has set the platform for improving the practical policy support of UNDP to programme countries on vital trade issues. Already, it has led to the formulation of innovative regional programmes in Asia, Africa and the Caribbean. The same role has been played by major global publications on water, energy and biodiversity produced by the Energy and Environment Group. Comparable examples can be highlighted in other practice areas.

11. The bulk of research financed by GCF-II has been applied policy research, which is different from research geared to global advocacy. Although the evaluation is correct in pointing out that UNDP has limited internal research capacities, these capacities are being built up through the development of partnerships, a manifestation of which is the growing number of publications in areas of water governance, energy and legislative reform. Research is also being strengthened in

the three global thematic research centres – in Oslo for democratic governance, in Nairobi for drylands and in Brasilia for poverty.

12. The global functions of the BDP Global Cooperation Framework need further clarification. GCF-II is designed to “translate Executive Board decisions relating to UNDP’s development policy priorities into specific instruments, products and services for use by Global, Regional and Country Programmes...” (The New BDP Implementation Plan, 2000, p.4). Thus, GCF-II has supported *selective* engagement in global development research and dialogue, primarily as a means to draw lessons on how to develop new strategic directions for UNDP policies, programmes and practices. Within this perspective, the Practice Notes produced by BDP play a seminal role in translating global priorities into policy-oriented services. They constitute a key link — based on applied research and knowledge networking — between global advocacy and the provision of practical policy support, and might have warranted closer examination by the evaluation team.

B. Knowledge networking and sharing

13. The evaluation notes that a wide range of stakeholders has endorsed “the GCF-II objectives to strengthen UNDP as a knowledge-based and knowledge-networked organization” but it contends that “the diverse quality and overwhelming quantity of ‘knowledge’ products and services of UNDP can saturate the organization, erode its capacity to pursue quality work, and divert it from real development priorities” (p. 10). It goes on to argue that “the amount of knowledge that is generated and shared is directly related to individual and institutional *learning capacity*” (p. 10) and that this necessitates “strengthening the learning culture of UNDP” (p.13).

14. UNDP agrees with much of this analysis. Knowledge networking and sharing have been among the most successful services provided by GCF-II. Their most visible manifestations are the 12 thematic ‘knowledge networks’, which function as global ‘virtual’ communities of practice, exchanging experiences and best practices, generating lively discussions and dialogues on vital development issues and codifying and archiving policy and programme lessons. There are currently more than 4,000 participants in the 12 existing knowledge networks. Over half of the professional staff from all regions and levels of the organization are subscribers, as well as more than 600 members from the United Nations system and other external partners. New members join every week.

15. The Executive Board had the opportunity to witness first hand the outputs of these knowledge networks during its special session in June 2003, when several queries were posted by EB members and full reports provided on the consolidated replies received. Typically, ad hoc queries and discussions arising on the knowledge networks derive directly from a need to address a specific country concern. These queries evoke many and varied responses on the knowledge networks, providing valuable examples of applied experience from many countries. This is a unique, demand-driven service that capitalizes on the extensive field presence of UNDP. Knowledge networking does not constitute a fully fledged knowledge management system, but the experience has already helped to demonstrate that an effective global learning and sharing process can be developed with limited resources.

16. The evaluation notes that "the greatest impact of these services has been felt at the country office level, where internal capacities have been expanded, and where the COs have improved the quality and quantity of their programming" (p. 5). The evaluation correctly emphasizes that more systematic efforts should be mounted to turn UNDP into a fully fledged learning organization, especially at the country office level.

17. UNDP needs more knowledge, not less. To prevent 'saturation' due to a proliferation of different products and services, greater streamlining and consolidation is important. Within BDP efforts have already been under way for some time to concentrate on products such as Practice Notes and Human Development Viewpoints that will help systematize knowledge and foster greater policy and programme consistency throughout the organization. While knowledge-sharing systems such as the knowledge networks are already in place, greater attention should be paid to generating, storing and disseminating knowledge.

18. To promote greater clarity, the definition of 'knowledge management' should be disaggregated into its constituent functions of: (a) creating, (b) organizing, and (c) using knowledge for development results. Knowledge networks have been successful in 'organizing' knowledge. The production of Practice Notes and Human Development Viewpoints constitutes 'creating' knowledge. Policy specialists and headquarters policy advisers are working with country and regional programme staff to 'use' knowledge in adapting general policy lessons and programme approaches to diverse development circumstances. One of the major challenges for GCF-III will be to build strong links and synergies between these three functions.

C. Policy advice, support and alignment

19. The evaluation makes several criticisms of the attempt to provide programme countries with "policy advisory services". It notes that "too much emphasis was given to the term 'upstream policy advice,'" which unnecessarily raised expectations about what UNDP could deliver to programme countries to enhance national development policy.

20. The evaluation maintains that "the role of the policy specialists as policy 'advisers' was not generally effective, nor was there too much demand from UNDP country offices or program countries for such 'policy advice' services" (p. 4). Moreover, the evaluation points out that while "the out-posting of policy specialist resources was a positive move in backstopping and enhancing country office capacities and in strengthening the community and/or practice of learning", "the delivery of [quality policy expertise] through relatively high-cost fixed salaries of policy specialist staff may not be the most cost-effective modality in all cases" (p. 4).

21. In 2000, the Administrator called on BDP to become "a service bureau providing world-class practical policy support where it is most needed – not at headquarters, but in the field". By accumulating extensive practical experience, BDP has been engaging in a continuous process of sharpening its understanding of the 'policy support' role that it should play within UNDP. Differentiation between policy support and policy advice is perhaps more confusing than helpful. Moreover, the terminology of 'policy advice' rather than 'policy support' fits more within a

model of externally driven technical assistance, rather than a model geared to advancing 'national ownership' of policy design and implementation, which UNDP promotes.

22. BDP does not act alone. GCF-II supports BDP policy specialists and advisers in providing support to programme countries in coordination with country offices, regional bureaux and other UNDP units. UNDP seeks to promote greater policy choice by assisting government and other concerned national stakeholders in critically examining various options and alternatives. Where there is a lack of meaningful policy choice, UNDP will provide direct support to the provision of policy options. And in a few critically important areas where it has developed a strategic competence, UNDP will mobilize its own advisers and external experts to offer specialized technical assistance directly to governments.

23. Thus, as a service bureau, BDP works *through* the regional bureaux and country offices, not independently. Also, BDP policy specialists, who will now be housed in the Regional Service Centres, will provide policy support to governments within an overall institutional structure that includes: working through country offices; coordinating with headquarters policy advisers who can contribute global knowledge of best-practice policies and programmes; and mobilizing, where requested, the relevant external expertise drawn from regional or global networks of policy experts.

24. These experts may well spend much of their time mobilizing and working with external experts on policy support to governments and helping country offices design best-practice programmes for providing such advisory services on a continuous basis. The country-office assessment of the performance of policy specialists in these functions has generally been positive, and demand for these forms of policy support has grown considerably. The number of person-weeks of policy support services grew from 144 in January-June 2000 to 1,252 for the same period in 2003.

25. The evaluation stated that thanks to GCF-II, "UNDP programmes were more vertically integrated, linking country, regional and global programmes" (pp. 7-8), drawing on the communities of practice and practice networks, the SURFs and the role of policy specialists, and the collaboration between BDP and regional bureaux. The formation of the regional centres will enable the policy specialists to bring global best practice to bear on the design and monitoring of regional as well as country programmes. The regional centres will also facilitate the links among the GCF, regional cooperation frameworks and country programmes and respond to another concern of the evaluation: that of ensuring the optimal management of policy specialists close to the sources of demand.

26. The evaluation questions the cost-effectiveness of maintaining a network of policy specialists. This conclusion may be based on a misunderstanding of their role. The evaluation does not acknowledge the importance of their global function, namely, in supporting a two-way 'transmission belt' of adapting global best practices to country and regional circumstances on the one hand, and systematizing country and regional best practices for global dissemination on the other. The importance of maintaining a core cadre of internal policy specialists was emphasized by an earlier evaluation of GCF-I, which criticized UNDP for relying too heavily on external consultants — a practice that did little to enhance institutional learning, continuous knowledge creation or the development of substantive capacity. Such a

cadre is the basis for effectively leveraging and utilizing additional external expertise and should not be counterposed to such expertise.

D. Management arrangements

27. The evaluation maintains that the greatest weakness of GCF-II was in management. It notes that the execution and oversight of GCF-II projects are seen as generally weak and the reporting of GCF-II performance uneven.

28. UNDP acknowledges the weaknesses in execution, oversight and reporting. Part of the explanation is the unprecedented degree of administrative and human resource upheaval that BDP experienced during the period of GCF-II implementation, as referred to earlier. Other causes include the drastic and continuous changes in operational procedures, including the introduction of new execution modalities – such as direct execution – new funding modalities – such as the thematic trust funds (TTFs) – and the introduction of an entirely new financial system.

29. It should be noted that significant progress has been made on certain management challenges during GCF-II. In the early stages of the process, the urgent need to conduct a major overhaul of programme financing was recognized. There were hundreds of active projects and trust funds, yet no effective central reporting mechanism. A large number of these projects and trust funds were closed during 2001-2002. In their place, BDP created six TTFs, which, because they corresponded to the UNDP practice areas, were more closely aligned to corporate priorities and were thus easier to monitor.

30. Remaining problems in execution, oversight and reporting are being tackled aggressively. Four major initiatives being undertaken during 2004 are worthy of mention:

(a) A *comprehensive programme and financial audit* is being conducted. The results will inform decisions on how to consolidate and manage the TTFs and global projects. Of particular concern is determining how to make more effective use of the TTFs and GCF-III to help align country and regional programming behind corporate priorities.

(b) A well-staffed *Programme Support Unit* is being established in order to maintain daily financial oversight of the GCF and produce regular progress reports. The use of the new Atlas system will greatly facilitate these functions.

(c) Thirdly, BDP has already succeeded in *fully aligning its programming and reporting frameworks with the new Multi-Year Funding Framework (MYFF)*. Consistent with this effort, each of the practice groups in BDP is undertaking rigorous annual work planning. The group plans, which include specific budgets, outputs and delivery dates, will generate comprehensive annual reports. These efforts will also generate annual implementation plans that will facilitate regular monitoring and reporting to the Executive Board.

(d) BDP is *strengthening and formalizing its mechanisms of consultation and external oversight*. More systematic consultations are being held with regional bureaux, regional centres and country offices on programme content. The GCF

Advisory Board, which will advise UNDP on the strategic direction of the GCF, is also being reconstituted. It will meet again in 2004 and annually thereafter.

31. All of these measures are expected to culminate in marked improvements in execution, oversight and management that should adequately address the concerns raised by the evaluation.

III. Concluding remarks: looking forward

32. The evaluation of GCF-II has been valuable in highlighting its strengths and weaknesses, particularly in the areas of providing policy advisory services and execution, oversight and reporting. UNDP will use GCF-III to continue strengthening its support to the three major corporate services of promoting global advocacy and analysis; knowledge networking and sharing; and policy support, consistency and advice. UNDP will intensify its efforts to strengthen the links between these three services. Particular attention will be devoted to strengthening the management mechanisms that are essential to carrying out such functions.

33. The programming cycle of GCF-III, starting in 2005, will be characterized primarily by consolidation rather than by dramatic change. It will seek to consolidate the gains achieved by the sweeping changes made during GCF-II, building on the foundation of its many accomplishments and methodically addressing the shortcomings that such dramatic restructuring and realignment have inevitably entailed. There is a keener awareness of the substantial costs associated with constant reorganization and restructuring, not only for UNDP but also for its staff.

34. GCF-III will delineate a more focused strategy than that of GCF-II. The central organizing framework for GCF-III will be the priority areas and service lines of the MYFF, recently approved by the Executive Board. The MDGs provide the overarching global framework with which all the work of BDP on advocacy and analysis, policy support, and knowledge networking and sharing, will be aligned.

Annex. Evaluation of the second global cooperation framework

Main recommendations	Response
- GCF-III should continue to provide a two-way window for programme countries to influence and be influenced by global trends, and benefit from global knowledge in the pursuit of their national development priorities and the MDGs (DP/2004/41, paragraph 58) - UNDP should narrow the focus on one or two practice areas with a small set of secondary practice, thematic and cross-cutting areas (ibid., paragraph 58). - A more formalized consultative method for programming, programme design and allocation of resources should reflect the variable demand for services by region, sub-region and country (ibid., paragraph 58).	Agree. This will be a central priority of BDP in its implementation of the corporate knowledge strategy. UNDP focus is provided by the MYFF. Within the MYFF, UNDP intends to place greater emphasis on those service lines that make the greatest contribution to achieving the MDGs and for which there is the highest demand from programme countries. Consultations with regional bureaux, regional centres and country offices on GCF programmes will be enhanced and formalized.
- Criteria for use of global resources must be clear, consistently applied and sufficiently distinct from regional or country-level programming (ibid., paragraph 59). - Development objectives must be measurable, have baselines, be easily programmed and linked to the MYFF.(this applies to the GCF framework as a whole) (ibid., paragraph 59). - More attention should be given to "cooperation" through use of operational partnerships and closer collaboration with other United Nations organizations (ibid., paragraph 59).	Criteria are being developed, in consultation with regional bureaux and country offices, to determine the nature and delineation of global programmes and their relationship to regional and country programmes. GCF-III will incorporate clearer, practical objectives aligned to MYFF priorities. Partnerships and inter-agency collaboration will continue to be a priority in GCF-III.
- Design of GCF-III should be sufficiently flexible to respond to major changes in external and internal environments. Design should be formally reviewed and amended, if necessary, on an annual basis (ibid., paragraph 60). - Country offices should have greater flexibility in directly accessing GCF core resources (ibid., paragraph 60).	Agree. The annual meetings of the GCF Advisory Committee will review the strategic direction of the GCF and make recommendations for change. The Strategic Management Team of UNDP will act as the GCF steering committee and regular progress reports on implementation will be provided to the Executive Team. Country offices already have quick and flexible access to TTF resources, which are significantly larger than GCF. Country offices will continue to

Main recommendations	Response
GCF-III should continue to be applied to the transformation of UNDP into a knowledge-sharing, globally networked development agency (ibid., paragraph 61).	benefit from GCF resources to fund pilot and innovative activities. Agree. The proposal for GCF-III will maintain that focus.
The definition of policy advice should be adjusted to include the provision of a range of both upstream and downstream technical assistance and professional services in the policy domain (62).	Agree. In practice, policy advice and policy support will cover a wide range of services, from upstream policy dialogue to more downstream technical support and backstopping.
UNDP should continue to use programme funds for engaging policy specialists, but options should be studied to arrive at the most rational, cost-effective mix, maximizing both the quantity and quality of service (ibid., paragraph 63).	Agree. GCF-III will continue to fund policy specialists. Additional policy support will be provided through partnership agreements with groups within and outside the United Nations system.
As SURFs are integrated with the new Regional Centres, a "service model" linked to current strategies associated with knowledge management should be developed for policy-related services (ibid., paragraph 64).	Agree. Policy advisers attached to Regional Centres will be expected to devote at least 40% of their time to the capture, codification and sharing of knowledge.
In the new Regional Centres, serious consideration should be given to deploying policy specialist resources as close to client countries as possible, in numbers and practice areas proportionate to demand at the regional and sub-regional levels (ibid., paragraph 65).	Agree. UNDP intends to deploy additional specialists to the Centres, away from Headquarters. The intention is to cluster specialists in the same physical location in order to facilitate inter-disciplinary exchange and learning; the recent experience in RBLAC shows that this is a better approach than distributing them among several country offices. However, the distribution of specialists among the individual regional centres will be strategically determined according to country needs.
Collect and document achievements of SURFs as their function becomes part of Regional Centres (ibid., paragraph 66).	Agree. The new regional centres will build on the experience and good practices of the SURFs, which will be captured in a review study.
In GCF-III, emphasis should be placed on strengthening the learning culture of UNDP (ibid., paragraph 67).	This will be an explicit priority of GCF-III.
There should be continued emphasis on identifying and documenting good, innovative practices and promoting their adaptation in other countries or settings (ibid., paragraph 67).	A central purpose of the knowledge management system will be to identify, store and disseminate good practices to facilitate an effective global learning exchange.

Main recommendations	Response
Knowledge networks should be made available to staff in all United Nations organizations as well as national counterparts in partner countries. There should be a deliberate policy within UNDP to encourage external knowledge sharing (ibid., paragraph 67).	Agree. Successful knowledge sharing calls for building and supporting strong, well-defined communities of practice, which generate trust among their members. A UNDP knowledge management strategy has been put in place that proposes both to strengthen UNDP's internal practice communities as well as to extend knowledge networks to in-country communities and United Nations system partners.
<i>Poverty:</i> UNDP needs to find niches where it has a comparative advantage and where it can effectively leverage its financial and professional resources (ibid., paragraph 68) Future GCF strategies should build on MDG momentum and seek ways to translate the high level of interest into a cost-effective development instrument (ibid., paragraph 68).	Agree. Adjustments will be made within the MYFF, in line with country- and region-specific priorities and circumstances.
<i>Energy and environment:</i> Practice architecture should be mainstreamed throughout UNDP. The synergies achieved can be consolidated in the MYFF and new Regional Centre structure by: - Expanding the resource base through a combined TTF for the practice area; - Achieving better knowledge extraction (through a review of the GEF portfolio for lessons learned from use of GCF core resources for data capture/analysis); - Establishing a separate fund for sustainable partnerships; and - Clarifying line authority of BDP regarding core funding of staff and their accountability with the regional bureaux (ibid., paragraph 69)	Agree. GCF-III will have as its primary purpose the provision of applied policy support to reach the MDGs. GCF-II was formulated before the MDGs were highlighted on the basis of the Millennium Declaration. Agree that practice architecture should be mainstreamed throughout UNDP. BDP will continue to strengthen support to Regional Bureaux, Regional Centres and country offices in all six service lines within the Energy and Environment practice to ensure alignment. Similar efforts will be undertaken in the other practices. Agree. A single Energy and Environment TTF will be created. Agree. A review of the GEF portfolio to capture lessons and best practices, particularly related to capacity development, is already under way. GCF-III will strengthen this effort. Rather than creating a separate fund, UNDP is committed to allocating existing TTF and GCF-III funds strategically so that support for global partnerships can become a major driver of UNDP efforts to achieve the MDGs. Agree. Out-posted policy advisers will work under clear reporting arrangements agreed upon by the Regional Bureaux and BDP.

Main recommendations	Response
HIV/AIDS: UNDP's corporate strategy on HIV/AIDS must be expanded globally and scaled up within countries - Special responses must be implemented for southern Africa and countries and regions with high prevalence rates - A new approach should be devised to measure the transformative methodologies currently being used (ibid., paragraph 71)	The HIV/AIDS Group has launched <i>Leadership for Results</i> initiatives in 15 countries and plans to bring these actions to scale and expand to new countries in GCF-III. The HIV/AIDS Group will continue to prioritize support to the special circumstances in Southern Africa and worst affected countries. Support is also being provided to the WHO '3 by 5 Initiative' using <i>Leadership for Results</i> methodologies with special emphasis on Southern Africa Work has been initiated on new methodologies for measuring innovation and results and will be brought to fruition under GCF-III.
<i>Gender:</i> A significant commitment of resources should be made to gender mainstreaming (ibid., paragraph 72)	To realize the objectives of mainstreaming, gender considerations will receive priority in all GCF programmes and resources allocated accordingly
<i>ICT for development:</i> Important windows of opportunity for UNDP include: - Building on the extensive UNDP capacity building experience to develop distance-learning facilities; - Working in the governance field; - Employment generation, women's empowerment, health education and formal education; - E-commerce; and - Combating HIV/AIDS (ibid., paragraph 73).	Agree. UNDP will explore these and other opportunities in order to support selected areas of intervention. ICT for development has service lines in two practices and is cross-cutting to all.
Determine full cost of provision of policy support and related services at the regional level. Systems should be implemented that can capture full cost of services to support analysis and reporting as well as financial planning and forecasting (ibid., paragraph 74).	Full use will be made of the Atlas system, not only to track financial performance but also to track and report on substantive outcomes.
Carry out comprehensive capacity assessment of BDP (ibid., paragraph 75).	BDP management and organizational arrangements to deliver policy support will be reviewed and assessed once the Regional Centres have become fully operational.
Invest resources in learning and professional development for country office staff to familiarize themselves with ongoing policy debates, research, studies and analysis (ibid., paragraph 76).	Agree. UNDP is investing increased resources in organizational learning and knowledge sharing. The Virtual Development Academy is being expanded; virtual practice workspaces are being created; virtual collaborative tools are being tested and will soon be purchased; and a top-of-the-line search engine will be available in six months to enhance

Main recommendations	Response
• Install execution, implementation and performance management capacities (ibid., paragraph 77) • Carry out selected evaluations of existing global projects, programmes and TTFs to extract lessons and knowledge (ibid., paragraph 77)	knowledge retrieval and sharing. Agree. A comprehensive programme and financial audit is already under way. A well-staffed programme support unit is being established which will utilize Atlas functionality for results-based management. Agree. The guideline will be to evaluate all those projects that collectively represent a majority of the programmable resources available under GCF.
Allow sufficient time to analyze the historic challenges and opportunities and ensure that they are properly factored into GCF-III design (ibid., paragraph 78).	Consultations are under way with members of the Executive Board and all major stakeholders in GCF-III.



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
23 August 2004

Original: English

Second regular session 2004

20 to 24 September 2004, New York

Item 5 of the provisional agenda

Country programmes and related matters

Assistance to Somalia (2005-2006)

Note by the Administrator

Elements of a decision

The Executive Board may wish to:

- a) take note of the current situation in Somalia and its implications for the need for and delivery of humanitarian and development assistance to the Somali people;
- b) endorse the strategic approach of the UNDP country office to promoting peace and security by concentrating on the following three areas:
 - (i) security and the rule of law;
 - (ii) poverty reduction; and
 - (iii) governance, public administration and civil society.
- c) encourage UNDP to continue to mobilize resources and develop strategic partnerships, including through the Consolidated Appeals Process, direct donor support and in the framework of the United Nations Department of Political Affairs Trust Fund for Peace-Building in Somalia; and
- d) authorize the Administrator to continue to approve projects consistent with the strategic approach on a case-by-case basis.

Contents

	<i>Paragraphs</i>	<i>Page</i>
Introduction.	1-2	2
I. The development situation from a sustainable human development perspective.	3-8	2
II. Results and lessons learned from past assistance.	9-11	3
III. Objectives, programme areas and expected results.	12-26	4
A. Security and the rule of law.	14-16	4
B. Poverty reduction.	17-21	5
C. Governance.	22-24	6
D. Cross-cutting themes.	25-26	6
IV. Management arrangements.	27-33	7
Annex: Results and resources framework.		9



Introduction

1. In its decision 2002/28, the Executive Board took note of the report on assistance to Somalia (DP/2002/29) and authorized the Administrator to continue to approve projects in Somalia on a case-by-case basis. In accordance with that decision, the present note outlines the proposed UNDP programme for Somalia for 2005-2006. The Note has been formulated against the background of the continuing absence of a central governing authority for Somalia, an operating environment characterized by intermittent armed conflict and insecurity, and the strategic imperative of preparing for the possible emergence of a new national federal government.

2. The consultative process underpinning both the preparation of the Note and the implementation of programme activities, features continuous dialogue and collaboration with Somali partners and beneficiaries. These include regional and local authorities where they exist, civil society organizations (CSOs), women's groups, and the private sector. Other United Nations partner organizations and international non-governmental organizations (NGOs) are also an important element of this process.

I. The development situation from a sustainable human development perspective

3. Development in many parts of Somalia, particularly the centre and the south, continues to be hostage to internecine fighting and widespread insecurity. A pattern persists of localized crises and internal displacement. These intermittent crises together with the prevailing insecurity make for an environment which impedes development, and in which women, children, the elderly and marginalized groups are particularly vulnerable. Major long-term development challenges such as the threat of HIV/AIDS, education at all levels, and halting the destruction of the environment, are particularly difficult to address in such conditions.

4. The political and security map is characterized by the proliferation of competing administrations, factions and militias across the country. The Transitional National Government established in Mogadishu in 2000 was never able to establish any authority beyond or even in the capital. Separate administrations have continued to assert their own localized authority, exemplified by the governing administrations of the self-declared state of Somaliland in the northwest and the self-declared autonomous region of Puntland in the northeast. Other regional and local authorities, however, have been unable to prevent continued fighting or other manifestations of lawlessness in and among the areas they seek to control.

5. The principal driving forces of economic development are the private sector, CSOs, emerging women's groups, and regional and local authorities such as those in Somaliland and Puntland. Nevertheless, the economy and significant numbers of the population are vulnerable to recurring problems such as the failure of rains, flooding in the riverine areas of the south, disruption of everyday economic activities and forced displacement. The large-scale return of refugees to the northwest – and to a lesser extent the northeast – is placing great pressure on local authorities and existing communities.

6. Efforts since early 2002 to bring an end to the political crisis in Somalia have focused on the Somali National Reconciliation Conference hosted by Kenya under the auspices of the regional Inter-Governmental Authority for Development, and supported by the international community, including the United Nations. By mid-August 2004, after a protracted and difficult negotiation process, it seemed increasingly likely that a clan-based 275-member parliament would soon be in place. The parliament will in turn elect a speaker and a president, leading to the formation of a five-year Transitional Federal Government. A new government thus constituted will inevitably face formidable challenges to establish effective legitimacy and authority across Somalia.

7. In the circumstances outlined, the collection and assessment of development data remains problematic. Nevertheless, data availability has been improving, and confirms the abysmal development indicators for Somalia. The 2001 National Human Development Report (NHDR) for Somalia indicated a human development index rating of 0.284, placing Somalia among the five least developed countries in the world. The findings of the joint UNDP-World Bank *Somalia Socio-Economic Survey 2002* confirm that the NHDR assessment remains broadly accurate.

8. The challenge of meeting the Millennium Development Goals (MDGs) is thus daunting, but not unattainable. Dramatic improvements in governance and the economy, as well as in the social sectors, will be critical. If the new Transitional Federal Government and system is able to take root and flourish, if the private sector is encouraged to build upon its energy and imagination, and if the Somali people themselves are provided with hope for a better future, then progress will be achieved.

II. Results and lessons learned from past assistance

9. Major achievements of the programme between 2002 and 2004 across its three thematic areas, namely, security and the rule of law; governance; and poverty reduction, have included:

(a) Under the *Rule of Law and Security Programme*, policemen and women recruited and trained, a legal clinic established in the University of Hargeisa. Militia in Mogadishu were demobilized and reintegrated, and in Somaliland an association for the control of firearms was established.

(b) Under the *Governance Programme*, capacity-building of key ministries in regional administrations and selected municipalities; the consolidation and strengthening of the Somali remittance system, including through the formation of the Somali Financial Services Association; and the cadastral surveying of farms, establishing their ownership and title.

(c) Under the *Poverty Reduction Programme*, the revival of the Somali livestock export industry through the development of monitoring and certification systems; reconstruction of a statistical base and capacity within regional administrations; the provision of basic services to vulnerable populations, including returned refugees and internally displaced persons in the northwest and the northeast, through a multi-agency project involving other United Nations organizations as well as local and international NGOs.

10. The concentration of activities under the umbrella of these three programme areas has enabled UNDP Somalia to develop and maintain the more focussed approach that was adopted in 2002. Experience has also shown the

importance of a physical presence inside Somalia, the use of Somali personnel to the maximum extent possible, and of building on initiatives and momentum created by the Somalis themselves. The emergence in some areas of strong and active community-based organizations, particularly among women, is both a positive sign for the future and a critical entry point for UNDP.

11. UNDP activities have contributed to raising the level of professionalism among the judiciary, the police, and the custodial corps, and have fostered a greater awareness of and respect for human rights issues. The incorporation of trained female police officers in the police force facilitates access to justice for women and children. A particular example how UNDP interventions support peace dynamics relates to farm registration in the Gabiley region, which has directly contributed to a decrease in land disputes and has enabled the municipality concerned to assess and programme annual income through related tax payments.

III. Objectives, programme areas and expected results

12. For the 2005-2006 period, the UNDP Somalia country office will continue to build on the achievements of the preceding two-year period. UNDP Somalia is well-positioned to support the Transitional Federal Government and the communities of Somalia in restoring peace and stability. The imperative of having to operate across a broad range of developmental, transitional, and crisis contexts in Somalia means in effect that UNDP can select the most appropriate approach for a particular situation, whether that be straightforward development or operating in a crisis environment.

13. In so doing it will draw on the experience and momentum generated to date and will continue to pursue the overall strategic objective of contributing to peace-building through tangible development efforts taking into account the ongoing and potential contributions of women in peace-building, reconstruction and recovery. The programme will continue to work across the three interlinked thematic areas set out in 2002, namely: (a) security and the rule of law; (b) governance; and (c) poverty reduction. Programming will take a rights-based approach in all areas and will focus on a limited number of overall strategic outcomes. The country office is ready to adapt the programme as necessary to any major changes in the political situation in Somalia, such as the possible emergence of a new national federal government.

A. Security and the rule of law

14. The objective is to continue working to restore the rule of law and to increase security in the country. The focus will be on two intended outcomes:

Strengthening the civilian police force, the custodial corps and the judiciary

15. UNDP Somalia will build and expand on its ongoing work in Puntland and Somaliland as well as undertaking new initiatives in south-central Somalia to improve the capacities of judicial authorities and promote and assist in the training of police in best practices and human rights. UNDP will encourage the establishment of regional and national human rights institutions and will support measures to improve public understanding of human rights and access to justice

for the poor and marginalized. UNDP will also provide material assistance for rehabilitation and construction.

Sustainable demobilization, disarmament and reintegration of combatants and militia, supported by small-arms control measures

16. UNDP Somalia will lead the coordination and implementation of existing multi-agency demobilization, disarmament and reintegration activities. These provide for building the capacities of national and local authorities, and for the registration of militia in preparation for demobilization. An already existing psycho-social component will be further developed to support demobilization needs. In partnership with regional arms control task forces, UNDP will accelerate its efforts in small-arms control.

B. Poverty reduction

17. With one in five Somalis living below the poverty line, the need to reduce poverty in the country is imperative. UNDP tackles poverty through measures at both the institutional and grass-roots levels, simultaneously improving knowledge about poverty in Somalia and addressing it. To assist the poor directly, UNDP will support the implementation of local economic development projects and continue with a mine action programme that prioritizes improving land access for the poor. Four overall outcomes will be aimed for:

(a) Enhancement of national capacity for data collection and analysis for poverty mapping and MDG reporting

18. Drawing on its partnership with the World Bank in the Somalia Watching Brief, UNDP will continue to work towards the development of anti-poverty strategies, formed with the involvement of Somali stakeholders. As part of this effort, UNDP will seek to increase both the availability of data and the collaboration between Somali and international organizations to improve the analysis of and response to poverty. UNDP will thus build the capacity of local authorities for the longer term. An MDG report and a new NHDR will promote further debate on poverty reduction strategies.

(b) Sustainable recovery and reintegration of returning refugees, internally displaced persons and other conflict-affected or marginalized populations.

19. UNDP will continue to work with Office of the United Nations High Commissioner for Refugees, other United Nations organizations and NGOs in a multi-agency project to improve the provision of basic services (water, sanitation, health and education) for returnees, internally displaced persons and other marginalized groups. It will use training activities and workshops to strengthen relevant local authorities in sustaining and promoting the recovery process through multi-sector and sector-specific programmes.

(c) An increase in sustainable livelihood opportunities through policy change, advocacy and capacity building initiatives.

20. Work in this area will focus on supporting the protection and growth of economic sectors that are vital as sources of income, in particular remittances, livestock and agriculture, with increasing attention to environmental degradation which threatens longer-term development. With the ILO, UNDP will promote new livelihood opportunities by supporting the formulation of several local economic development projects and providing microfinance for women and farmers.

(d) Increased national capacity for mine action targeted at improving access to land and livelihood resources for the poor.

21. Recent impact surveys confirm that landmines and unexploded ordnance continue to cause injury and loss of life and restrict land access for large numbers of the population, especially the rural poor. UNDP will therefore continue to coordinate a portfolio of mine action projects, in partnership with the United Nations Office for Project Services (UNOPS), regional Somali mine action centres, and police and local authorities.

C. Governance

22. The absence of a national government for more than 13 years and the partial emergence of new regional and local administrations and authorities underline the critical need for continuing assistance in governance and public administration. UNDP Somalia will therefore continue with its governance capacity-building programme to strengthen public administration at all levels and foster the involvement of CSOs and communities in governance and development. UNDP will focus on two intended outcomes:

(a) Enhancement of the legal and institutional environment at the local level to include participation of women and marginalized groups; improved accountability and transparency

23. In cooperation with the relevant Somali authorities and institutions, UNDP will work to improve the capabilities of key national and regional ministries and the management of select municipalities. This will be achieved through a range of activities, including in-country training and study tours, assistance for restructuring, and specialist technical assistance in fields such as economic planning and financial management. The United Nations Human Settlements Programme (UN-HABITAT) is and will continue to be a crucial implementing partner.

(b) Involvement of local authorities, CSOs and communities in the planning and management of development activities

24. Local authorities, CSOs and community groups play an increasingly important role in Somalia, especially in the long absence of national or central institutions. UNDP will therefore continue its assistance to selected CSOs, with a special emphasis on women's groups and on ICT support where appropriate. In cooperation with UN-HABITAT, UNDP will promote mechanisms for increased public participation in local development activities. Support will continue for rural cadastral surveying, led by a Somali NGO, and training in land management will be provided to relevant authorities.

D. Cross-cutting themes

25. Working closely with other United Nations organizations and NGOs, UNDP will intensify its efforts to mainstream the fight against HIV/AIDS in its programming and implementation. Gender issues will likewise continue to be incorporated into all aspects of the UNDP programme. Particular focus will be brought to bear on gender mainstreaming through the Rule of Law and Security programme, where UNDP will support measures to increase the number of women studying law and women's overall representation in the judiciary.

26. Security remains an unavoidable cross-cutting issue. During 2003-2004 the overall security situation in Somalia deteriorated, with a series of fatal attacks by an extremist group or groups clearly targeted against foreigners. Under the guidance of the United Nations Security Coordinator and the Security Management Team, chaired by the UNDP Resident Representative as designated official for security, UNDP and all other United Nations organizations must work within more stringent operating security standards than previously. This is likely to continue.

IV. Management arrangements

27. The country office will continue to seek to maximize Somali participation in and ownership of the programme, including through the National Federal Government now being formed. Other partners will include regional and municipal administrations, local authorities and civil society, including Somali elders, and NGOs. UNDP has developed many such partnerships and will seek to broaden them further in the next two years. The incorporation of Somali partners and stakeholders into the formulation, implementation, monitoring and evaluation of projects will thus continue.

28. Since 2002 the country office has consolidated and expanded its range of non-Somali partners. UNDP Somalia is now working with all the other United Nations organizations in Somalia on multi-agency projects for the provision of basic services, the promotion of local economic development initiatives, and in the field of the rule of law and security. Through the Low Income Countries under Stress (LICUS) initiative, UNDP has increased its cooperation with the World Bank and UNICEF, while in its work in the livestock sector in Somalia UNDP is cooperating closely with the Food and Agricultural Organization (FAO) and the World Health Organization (WHO). UNDP has also been drawing on the assistance of the United Nations Development Fund for Women. Other established partners include international NGOs such as Diakonia of Sweden and the German development agency GTZ. The country office will look to build on these partnerships, as well as pursuing new ones such as with UNOPS, over the next two years.

29. Operating in Somalia remains a challenge for management and staff. New corporate software systems such as Atlas will facilitate the work, as will the direct execution modality which has already been adopted by UNDP Somalia (located in Nairobi, Kenya), which must manage a dispersed group of in-country sub-offices, each in a different political and security environment. The country office will continue to draw on assistance from the Bureau for Conflict Prevention and Recovery (BCPR) and the Regional Bureau of Arab States, as well as the support of the sub-regional resource facility (SURF) for the Arab States in identifying experts.

30. Where security has permitted, the country office has sought to strengthen its sub-offices inside Somalia. As of mid-2004, the sub-office in Baidoa remained closed, while those in Garowe, Hargeisa and Mogadishu were managing most of the implementation and immediate monitoring and evaluation of project work. UNDP aims to re-establish a sub-office in Beledweyne, covering the Hiran region, and an office in Jowhar for Middle Shebelle, as soon as security permits.

31. As of 2004, the funding requirements of UNDP's programme in Somalia were almost five times the available core funds. Donors remained cautious about

increasing funding for both humanitarian and development activities. This caution is likely to persist until there is seen to be a stable resolution of the political crisis. Nonetheless, the country office has managed to maintain and even increase the support of its principal donors, as well as attract funding from new sources such as the Zayed foundation, based in the United Arab Emirates. Significant funding and other support is also received through UNDP/BCPR, as well as from UNDP thematic trust funds.

32. UNDP continues to play a central role in coordinating the operations of United Nations organizations in Somalia. As the Humanitarian and Resident Coordinator, the UNDP Resident Representative is responsible for overall coordination. An Office of the Resident Coordinator has been established, and the Office for the Coordination of Humanitarian Affairs (OCHA), with a network of field officers, now performs the functions previously carried out by the United Nations Coordination Unit. The Somalia Aid Coordination Body remains the principal body for coordination between the United Nations, international and Somali NGOs, donors and other members of the international community.

33. In 2003 coordination arrangements for the United Nations Country Team (UNCT) were refined. The UNCT now oversees theme groups for five agreed strategic operational areas (basic services, education, HIV/AIDS, human rights and humanitarian response), each of which has a designated coordinating agency. The UNCT has extended the Joint Action and Recovery Plan – the common strategic framework for United Nations assistance to Somalia – to cover 2004 and is tentatively exploring the possibility of initiating a Common Country Assessment/United Nations Development Assistance Framework process. These improved coordination arrangements have also benefited the Consolidate Appeals Process, which covers development as well as humanitarian activities.

Annex

Results and resources framework

National priority or goal (Millennium Development Goal and/or other international conference commitment): Achieving the MDGs and reducing human poverty					
Intended UNDAF outcome: Not applicable (no UNDAF in Somalia)					
Programme component	Country programme outcomes, including outcome indicators, baselines and targets	Country programme outputs	Output indicators, baselines and targets	Role of partners	Indicative resources by goal (in dollars)
MDG country reporting and poverty monitoring	National capacity for data collection and analysis for poverty mapping and MDG reporting enhanced	Macro and socio-economic statistics for poverty mapping and MDG reporting in place			Regular resources: 407,000 Other resources: 560,000 (World Bank)
Local poverty initiatives, including microfinance	Sustainable livelihood opportunities increased through policy change, advocacy and capacity-building initiatives	Certification mechanisms in place for the Somali livestock sector, private sector supported through vocational training and promotion of business opportunities, and improved flood prevention and irrigation infrastructures			Regular resources: 750,000 Other resources:
Private sector development	Increased income and employment opportunities through private sector development and the improved capacity of Somali financial institutions and central banks	Appropriate legal and regulatory framework developed for the Somali remittance sector			Regular resources: 194,000 Other resources:

National priority or goal (Millennium Development Goal and/or other international conference commitment):
Fostering democratic governance
 Intended UNDAF outcome: Not applicable (no UNDAF in Somalia)

Programme component	Country programme outcomes, including outcome indicators, baselines and targets	Country programme outputs	Output indicators, baselines and targets	Role of partners	Indicative resources by goal (in dollars)
Policy support for democratic governance	Principles of good governance increasingly incorporated into national and regional governance programmes and institutions, including improved relations with civil society	Management systems and plans developed for more efficient and accountable governance			Regular resources: 880,000 Other resources: 80,000 (thematic trust fund for democratic governance)
Justice and human rights	Restoration of the rule of law through the strengthening of the civilian police force, the custodial corps and the judiciary	Functional capacities of the judiciary re-established through training, rehabilitation and support to the legal faculties of universities; capacity of law-enforcement officials for protection of human rights strengthened through police reform, rehabilitation of selected police stations, provision of equipment and training			Regular resources: 750,000 Other resources: 922,266 (trust fund) 1,461,145 (cost sharing)

National priority or goal (Millennium Development Goal and/or other international conference commitment):

Crisis prevention and recovery

Intended UNDAF outcome: Not applicable (no UNDAF in Somalia)

Programme component	Country programme outcomes, including outcome indicators, baselines and targets	Country programme outputs	Output indicators, baselines and targets	Role of partners	Indicative resources by goal (in dollars)
Decentralization, local governance and urban/rural development	Legal and institutional environment at the local level enhanced for the participation of women and marginalized groups; accountability and transparency improved	Review of existing legal and regulatory frameworks undertaken in selected ministries and urban management systems strengthened through urban law reform and land management and property registration			Regular resources: 400,000 Other resources: 400,000 (cost sharing) 60,000 (thematic trust fund for ICT) 200,000 (World Bank/LICUS)
Recovery	Sustainable reintegration of war-affected populations and their empowerment in sustaining the recovery process through multi-sector frameworks and sector-specific programmes	Livelihoods of returnees and internally displaced persons improved through the provision of basic services and capacity development, and local economic development strategy formulated and promoted within the target population			Regular resources: 850,000 Other resources: 1,212,000 (cost sharing)

National priority or goal (Millennium Development Goal and/or other international conference commitment):
Responding to HIV/AIDS
Intended UNDAF outcome: Not applicable (no UNDAF in Somalia)

Small arms reduction, disarmament and demobilization	Comprehensive strategies and legal frameworks in place for the reduction of small arms and light weapons developed through advocacy and programmes	Civilian-held weapons registration process and legislation developed, and working environment for disarmament, demobilization and reintegration established			Regular resources: Other resources: 1,376,362 (thematic trust fund for crisis prevention and recovery)
Mine action	National capacity for mine action coordinated and civil response expanded to unexploded ordnance in communities; sustainable integrated mine action programmes developed and managed	Somaliland and Puntland mine action centres built and equipped explosive ordnance disposal teams trained and equipped			Regular resources: 150,000 Other resources: 1,130,272 (trust fund) 134,886 (thematic trust fund)
Development planning, implementation and HIV/AIDS response	HIV/AIDS strategic framework and action plans formulated and implemented to ensure an efficient response in a conflict context	Resources mobilized and strategy documents promoted for the implementation of the UNDP-supported response			Regular resources: 100,000 Other resources: 742,000 (World Bank/LICUS)



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
17 September 2004

Original: English

Second regular session 2004
20 to 24 September 2004, New York
Item 5 of the provisional agenda
Country programmes and related matters

Assistance to Somalia (2005-2006)
Note by the Administrator

Corrigendum

Page 1, Elements of a decision

Point b), line 1, should read

- b) endorse the strategic approach of UNDP to promoting peace and security by concentrating on

Point c), lines 2 and 3, should read

- c) Consolidated Appeals Process and direct donor support; and





**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
9 August 2004

Original: English

Second regular session 2004

20 to 24 September, New York

Item 5 of the provisional agenda

Country programmes and related matters

Extensions of country cooperation frameworks

Note of the Administrator

Summary

The present note contains information on the two-year extensions of the second country cooperation frameworks (CCFs) for Paraguay, Saint Helena and Senegal. The Governments concerned requested the extensions.

In accordance with established procedures, requests for second-year or two-year extensions are submitted to the Board for its approval.

The Executive Board may wish to approve the extensions of the second CCFs for Paraguay, Saint Helena and Senegal for a period of two years from 1 January 2005 to 31 December 2006 listed in the table below.



Extensions of CCFs for which the approval of the Executive Board is sought

Country	Years covered by original CCF	Year(s) covered by any extension already approved	Year(s) proposed for new extension	Extension		Reason and explanation		
				2nd one year	Two years	United Nations harmonization	In-country political development	Other
Paraguay	2002-2004	N/A	2005-2006		X	To align the UNDP programming period with the agreed United Nations programming period scheduled to begin in January 2007.		
Saint Helena	2001-2004	N/A	2005-2006		X			In this period, country programming will continue to meet all objectives as defined in the previous CCF, 2001-2004 (DP/CCF/STH/2). In addition, a new objective 3 – poverty reduction through training/retraining and job placement of the unemployed – is being introduced. The intended outcome of this objective is to reduce long-term unemployment through a joint public and private sector training and work programme.
Senegal	2002-2004	N/A	2005-2006		X	To align the UNDP programming period with the agreed United Nations programming period scheduled to begin in January 2007.		